

BRP INC.

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

**FOR THE THREE- AND SIX-MONTH PERIODS ENDED
JULY 31, 2026**



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Glossary

Abbreviations	Description	Abbreviations	Description
3WV	Three-Wheel Vehicles	MD&A	Management's Discussion & Analysis
ATV	All-Terrain Vehicles	NCIB	Normal Course Issuer Bid
BPS	Basis points	OEM	Original Equipment Manufacturer
CAPEX	Capital Expenditure	ORV	Off-Road Vehicles
CGU	Cash Generating Unit	PA&A	Parts, Accessories & Apparel
CORRA	Canadian Overnight Repo Rate Average. Defined as the Daily Compounded CORRA or the forward-looking term rate based on CORRA plus a customary credit spread adjustment, when applicable	PP&E	Property, Plant & Equipment
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization	PWC	Personal Watercraft
EPS	Earnings (Loss) Per Share	R&D	Research & development
EURIBOR	Euro Interbank Offered Rate	SOFR	Secured Overnight Financing Rate
EV	Electric Vehicles	Term SOFR	Defined as the forward-looking term rate based on SOFR plus a customary credit spread adjustment, when applicable
G&A	General & Administrative	SSV	Side-by-Side Vehicles
IAS	International Accounting Standards	S&M	Selling & marketing
IFRS	IFRS® Accounting Standards as issued by the International Accounting Standards Board	Working Capital	Current assets less current liabilities
International	All regions except United States & Canada		

Basis of Presentation

The following MD&A provides information concerning the financial position and results of operations of BRP Inc. (the “Company” or “BRP”) for the second quarter of the fiscal year ending January 31, 2027. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three- and six-month periods ended July 31, 2026 and 2025. Some of the information included in this discussion and analysis contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from underlying forward-looking statements as a result of various factors, including those described in the “Forward-Looking Statements” section of this MD&A. This MD&A reflects information available to the Company as at September 2, 2026.

The unaudited condensed consolidated interim financial statements of the Company for the three- and six-month periods ended July 31, 2026 and 2025 have been prepared using accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board and in accordance with IAS 34 “*Interim Financial Reporting*”. All amounts presented are in Canadian dollars unless otherwise indicated. The Company’s fiscal year is the twelve-month period ending January 31. All references in this MD&A to “Fiscal 2027”, “Fiscal 2026”, and “Fiscal 2025” are to the Company’s fiscal year ended January 31, 2027, 2026 and 2025 respectively.

This MD&A, approved by the Board of Directors on September 2, 2026, is based on the Company’s unaudited condensed consolidated interim financial statements and accompanying notes for the three- and six-month periods ended July 31, 2026 and 2025.

Forward-Looking Statements and Non-IFRS Measures

Forward-Looking Statements

Certain statements in this MD&A about the Company's current and future plans, including statements relating to the declaration and payment of dividends, its prospects, expectations, anticipations, estimates and intentions, results, levels of activity, performance, objectives, targets, goals, achievements, priorities and strategies, financial position, market position, including its ambition to become North America's leading off-road brand and commitment to make major product announcements every six months for the next four years, capabilities, competitive strengths and beliefs, the prospects and trends of the industries in which the Company operates, the expected demand for products and services in the markets in which the Company competes, research and product development activities, including projected design, characteristics, capacity or performance of future products and their expected scheduled entry to market, expected financial requirements and the availability of capital resources and liquidity, the anticipated benefits and impacts associated with BRP Financial Services, its new branded retail financing program in the United States, the Company's ability to complete its process for the sale of Telwater as expected and to manage and mitigate the risks associated therewith, at expected cost levels and expected proceeds, the expected impact of the supplier financial restructuring, ongoing geopolitical instability in the Middle East, including the impact of ongoing volatility in global oil and energy prices, the expected impact of tariffs, duties and other trade restrictions and the Company's ability to manage such tariff's exposure, including through incremental mitigation measures, potential supply chain disruptions, inflationary pressures, and broader macroeconomic conditions or any other future events or developments and other statements in this MD&A that are not historical facts constitute forward-looking statements within the meaning of applicable securities laws. The words "may", "will", "would", "should", "could", "expects", "forecasts", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "outlook", "predicts", "projects", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are presented for the purpose of assisting readers in understanding certain key elements of the Company's current objectives, goals, targets, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements contained herein. Forward-looking statements, by their very nature, involve inherent risks and uncertainties and are based on a number of assumptions, both general and specific. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the industry to be materially different from the outlook or any future results or performance implied by such statements. In addition, many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the risk factors discussed in greater detail under the heading "Risk Factors" in the Company's MD&A for the fiscal year ended January 31, 2026.

The forward-looking statements contained in this MD&A are made as of the date of this MD&A, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities regulations. In the event that the Company does update any forward-looking statements contained in this MD&A, no inference should be made that the Company will make additional updates with respect to that statement, related matters or any other forward-looking statement.

The Company made a number of economic, market and operational assumptions in preparing and making certain forward-looking statements contained in this MD&A, including without limitation the following assumptions: industries in both Seasonal and Year-Round Products consistent with current trends and continuously challenging macroeconomic and geopolitical environments; expected market share volatility; main currencies in which the Company operates will remain at near current levels; there will be no significant changes in tax laws or treaties applicable to the Company; the supply base will remain able to support product development and planned production rates on commercially acceptable terms in a timely manner; the absence of unusually adverse weather conditions, especially in peak seasons. BRP cautions that its assumptions may not materialize, and that the currently challenging macroeconomic and geopolitical environments in which it evolves, including specifically the uncertainty around the potential evolution of tariffs, duties and other trade restrictions (and any retaliatory measures), as well as the ongoing geopolitical instability in the Middle East and its potential negative impact on the global economy, may render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. These assumptions reflect certain U.S. tariffs currently in effect; however, they do not fully incorporate the potential expansion of U.S. tariffs, including tariffs on all imports from Canada and Mexico, and potential retaliatory tariffs. Given the fast-evolving situation and the high degree of uncertainty around the duration of a potential trade war, it is difficult to predict how the effects would flow through the economy. New and existing tariffs could significantly affect the outlooks for economic growth, consumer spending, inflation and the Canadian dollar.

Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

The Company defines and reconciles these measures in the "Non-IFRS Measures and Reconciliation Tables" section of this MD&A.

Business Overview

BRP Inc. is a global leader in the world of powersports products and powertrains, built on 80 years of ingenuity and intensive consumer focus. Through its portfolio of industry-leading and distinctive brands featuring Ski-Doo and Lynx snowmobiles, Sea-Doo watercraft and pontoons, Can-Am on- and off-road vehicles, Quintrex boats and Rotax marine propulsion systems, Rotax engines for karts and recreational aircraft and Pinion gearboxes, BRP unlocks exhilarating adventures and provides access to experiences across different playgrounds. The Company completes its lines of products with a dedicated parts, accessories and apparel portfolio to fully optimize the riding experience.

As at the end of Fiscal 2026, the Company employed close to 17,000 employees worldwide. It sold its products in over 110 countries. The products were sold directly through a network of approximately 2,050 dealers in 21 countries, as well as through approximately 140 distributors that served approximately 375 additional dealers.

The Company designs, develops, manufactures and sells powersports vehicles. The Company's diversified portfolio of products includes Year-Round Products, Seasonal Products and Parts, Accessories & Apparel, OEM Engines and others. Year-Round Products consist of BRP vehicles that are sold and used throughout the year in most climates and include ATVs, SSVs, 3WVs and electric motorcycles product lines. All products within the Year-Round Product category are sold under the *Can-Am* brand. Seasonal products consist of BRP products that are mostly used in specific seasons. These products include snowmobiles, which are mainly used during the winter season with sales to dealers concentrated in the months of September to January, as well as PWC and Sea-Doo pontoons, which are mainly used during the summer season, with sales to dealers concentrated in the months of January to April. All these products leverage BRP's Rotax engines. PA&A, OEM Engines and Others consist of parts, accessories, and apparel (referred to as "PA&A"), Rotax engines for karts, recreational aircrafts and jet boats, as well as other products and services.

The following table shows the percentage of total revenues by category:

Proportion of Total Revenues (in percentages)	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Year-Round Products	66.4%	59.0%	63.4%	59.4%
Seasonal Products	19.1%	24.9%	21.5%	23.8%
PA&A, OEM Engines and Others	14.5%	16.1%	15.1%	16.8%
Total Revenues ^[1]	100.0%	100.0%	100.0%	100.0%

^[1] Figures are on a continuing basis.

Factors Affecting the Company's Results of Operations

Revenues and Sales Program Costs

The Company's revenues are primarily derived from the wholesale activities to dealers and distributors of the Company's manufactured vehicles, including Year-Round Products, Seasonal Products, and PA&A, OEM Engines and Others. Revenue recognition normally occurs when products are shipped to dealers or distributors from the Company's facilities.

In order to support the wholesale activities of the Company and the retail activities of dealers and distributors, the Company may provide support in the form of various sales programs consisting of cash and non-cash incentives. The cash incentives consist mainly of rebates and volume discounts given to dealers and distributors, free or extended coverage period under dealer and distributor inventory financing programs, and retail financing programs. The cost of these cash incentives is recorded as a reduction of revenues. The non-cash incentives mainly consist of extended warranty coverage or free PA&A. When an extended warranty coverage is given with the purchase of a product, a portion of the revenue recognized upon the sale of that product is deferred and recognized during the extended warranty coverage period. The cost of the free PA&A is recorded in cost of sales.

The support provided to dealers, distributors and consumers tends to increase when general economic conditions are difficult, when changing market conditions require the launch of new or more competitive programs, or when dealer and distributor inventory is above appropriate levels.

Under dealer and distributor inventory financing arrangements, the Company could be required to purchase repossessed new and unused products in certain cases of default by dealers or distributors. The cost of repossession tends to increase when dealers or distributors are facing challenging and prolonged difficult retail conditions and when their non-current inventory level is high. During the current fiscal year and previous fiscal year, the Company did not experience significant repossessions under its dealer and distributor inventory financing arrangements. Refer to the "Off-Balance Sheet Arrangements" section of this MD&A for more information on dealer and distributor inventory financing arrangements.

Commodity Costs

Approximately 75% of the Company's cost of sales consists of material used in the manufacturing process. Therefore, the Company is exposed to the fluctuation of prices of certain raw materials such as aluminum, steel, plastic, resins, stainless steel, copper, rubber and certain rare earth metals. Additionally, the Company is exposed to fuel price fluctuations related to its procurement and distribution activities. The Company does not hedge its long-term exposure to such price fluctuations. Therefore, an increase in commodity prices could negatively impact the Company's operating results if it is not able to transfer these cost increases to dealers, distributors or consumers.

Warranty Costs

The Company's regular warranty generally covers periods ranging from twelve months to three years for most products. In certain circumstances, the Company provides extended warranty coverage as a result of sales programs, under certain commercial accounts, or as required by local regulations. During the warranty period, the Company reimburses dealers and distributors for the entire cost of repair or replacement performed on the products (mainly composed of parts or accessories provided by the Company and labour costs incurred by dealers or distributors). In addition, the Company sells in the normal course of business and provides under certain sales programs extended product warranties.

During its product development process, the Company ensures that high quality standards are maintained at each development stage of a new product. This includes the development of detailed product specifications, the evaluation of the quality of the supply chain and the manufacturing methods and detailed testing requirements over the development stage of the products. Additionally, product quality is ensured by quality inspections during and after the manufacturing process.

The Company records a regular warranty provision when products are sold. Management believes that, based on available information, the Company has adequate provisions to cover any future warranty claims on products sold. However, future claim amounts can differ significantly from provisions that are recorded in the condensed consolidated interim statements of financial position. For extended warranty, the claims are recorded in cost of sales as incurred.

Foreign Exchange

The Company's revenues are reported in Canadian dollars but are mostly generated in U.S. dollars, Canadian dollars and euros. The Company's revenues reported in Canadian dollars are to a lesser extent exposed to foreign exchange fluctuations with the Australian dollar, Brazilian real, Swedish krona, Norwegian krone, British pound, New Zealand dollar, Mexican peso and Chinese yuan. The costs incurred by the Company are mainly denominated in Canadian dollars, U.S. dollars and euros and, to a lesser extent in Mexican pesos. Therefore, recorded revenues, gross profit and operating income in Canadian dollars are exposed to foreign exchange fluctuations. The Company's facilities are located in different countries, which helps mitigate some of its foreign currency exposure.

As of July 31, 2026, the Company had an outstanding balance of U.S. \$1,716.5 million (\$2,408.4 million) under its U.S. \$1,765.0 million (\$2,476.4 million) term facility agreement (the "Term Facility"), which results in a gain or loss in net income when the U.S. dollar/Canadian dollar exchange rate at the end of the period varies from the opening period rate. Additionally, the Company's interest expense on the Term Facility is exposed to U.S. dollar/Canadian dollar exchange rate fluctuations. The Company does not currently hedge the U.S. dollar/Canadian dollar exchange rate fluctuation exposures related to its Term Facility, and therefore, an increase in the value of the U.S. dollar against the Canadian dollar could negatively impact the Company's net income.

For further detail relating to the Company's exposure to foreign currency fluctuations, see "Financial Instruments – Foreign Exchange Risk" section of this MD&A.

Net Financing Costs (Financing Costs less Financing Income)

Net financing costs are incurred principally on long-term debt, defined benefit pension plan liabilities and revolving credit facility. As at July 31, 2026, the Company's long-term debt of \$2,499.5 million was mainly comprised of the Term Facility, which includes Term Loans B-2 and B-3, the currently outstanding tranches of which both bear interest at Term SOFR plus 2.25%. The Company entered into interest rate cap contracts, which limit its exposure to interest rates increases.

Income Taxes

The Company is subject to federal, state and provincial income taxes in jurisdictions in which it conducts business. The Canadian income tax statutory rate was 26.5% for the three- and six-month periods ended July 31, 2026. However, the Company's effective consolidated tax rate is influenced by various factors, including the mix of accounting profits or losses before income tax among tax jurisdictions in which it operates and the foreign exchange gain or loss on the Term Facility. The Company expects to pay cash taxes in all tax jurisdictions for Fiscal 2027.

Seasonality

The Company's revenues and operating income experience substantial fluctuations from quarter to quarter. In general, wholesale sales of the Company's products are higher in the period immediately preceding and during their respective season of use. However, the mix of product sales may vary considerably from time to time as a result of changes in seasonal and geographic demand, the introduction of new products and models and production scheduling for particular types of products.

Executive Summary

The three-month period ended July 31, 2026 marked the second consecutive quarter of Fiscal 2027 with double-digit revenue growth compared to the same period last year. The increase in revenues was primarily driven by higher ORV shipments to support retail demand and a favourable SSV mix resulting from the introduction of new models. Revenue growth was partially offset by lower PWC deliveries, mostly reflecting units that were shipped earlier in the first quarter. Gross profit and gross profit margin decreased compared to last year, primarily due to the impacts of Section 232 tariffs on Steel, Aluminum and Copper imports into the United States, as well as the effect of a supplier financial restructuring. The supplier financial restructuring represented an unfavourable impact of \$74.8 million or 330 bps on gross profit and gross profit margin respectively. These impacts were partially offset by the positive effects of higher volumes and lower sales programs mainly in ORV.

The Company's North American retail sales were up 1% for the three-month period ended July 31, 2026 compared to the same period last year. The increase in retail sales was driven by positive industry trends in SSV and market share gains in ORV, which were partially offset by lower retail sales in Seasonal Products.

Financial Highlights

(in millions of Canadian dollars, except per share data and margin)	Three-month periods ended				Six-month periods ended			
	July 31, 2026	July 31, 2025	Variance (\$)	Variance (%)	July 31, 2026	July 31, 2025	Variance (\$)	Variance (%)
Income Statement ^[2]								
Total Revenues	\$2,236.8	\$1,888.2	\$348.6	18.5%	\$4,628.6	\$3,735.1	\$893.5	23.9%
Gross Profit	262.5	397.7	(135.2)	(34.0%)	824.1	792.5	31.6	4.0%
Gross Profit Margin (%)	11.7%	21.1%	N/A	(940bps)	17.8%	21.2%	N/A	(340bps)
Operating Income (Loss)	(50.0)	90.4	(140.4)	(155.3%)	175.5	184.3	(8.8)	(4.8%)
Normalized EBITDA ^[1]	138.8	213.2	(74.4)	(34.9%)	473.2	414.0	59.2	14.3%
Net (Loss) Income	(136.8)	57.1	(193.9)	(339.6%)	(9.5)	218.1	(227.6)	(104.4%)
Normalized Net Income (Loss) ^[1]	(13.0)	66.9	(79.9)	(119.4%)	121.5	101.5	20.0	19.7%
Diluted EPS	(1.88)	0.79	(2.67)	(338.0%)	(0.12)	2.98	(3.10)	(104.0%)
Normalized Diluted EPS ^[1]	(0.18)	0.92	(1.10)	(119.6%)	1.66	1.39	0.27	19.4%
Net Income (Loss) from Discontinued Operations	2.7	(33.6)	36.3	108.0%	4.3	(44.5)	48.8	109.7%

^[1] See "Non-IFRS Measures" section.

^[2] Unless otherwise indicated, figures are on a continuing basis.

Recent events – Highlights from Club BRP 2027

- Demonstrating its ambition to become North America's leading off-road brand, the Company committed to major product announcements every six months for the next four years.
- The Company continued to bolster its product pipeline with several industry-firsts and innovative products, namely the all-new limited-edition Sea-Doo RXP-X Senna 350 equipped with the most powerful PWC engine from the factory; an upgraded Spark lineup delivering more horsepower and the addition of the new Spark X model with premium features; the second-generation Can-Am Defender HD10 as well as the most significant evolution of the Can-Am Ryker platform since its initial launch.
- The Company also launched BRP Financial Services, its new branded retail financing program in the United States.

Retail Performance & Market Statistics

North American retail sales - for the Second Quarter of Fiscal 2027

The Company's North American retail sales increased by 1% for the three-month period ended July 31, 2026 compared to the same period last year. The increase in retail sales was driven by positive industry trends in SSV and market share gains in ORV, which were partially offset by lower retail sales in Seasonal Products.

- North American Year-Round Products retail sales increased on a percentage basis in the low-single digits compared to the three-month period ended July 31, 2025. The Year-Round Products industry sales increased in the low-single digits over the same period.
- North American Seasonal Products retail sales decreased on a percentage basis in the low-single digits compared to the three-month period ended July 31, 2025. The Seasonal Products industry sales increased on a percentage basis in the low-single digits over the same period.

North American retail sales - for the First Half of Fiscal 2027

The Company's North American retail sales decreased by 2% for the six-month period ended July 31, 2026 compared to the same period last year. The decrease in retail sales was due to lower Snowmobile industry volumes compared with a strong end-of-season last year, as well as to market share losses in Pontoon and PWC. This decrease was partially offset by market share gains in ORV.

- North American Year-Round Products retail sales increased on a percentage basis in the mid-single digits compared to the six-month period ended July 31, 2025. The Year-Round Products industry sales increased on a percentage basis in the low-single digits over the same period.
- North American Seasonal Products retail sales decreased on a percentage basis in the low-teens range compared to the six-month period ended July 31, 2025. The Seasonal Products industry sales decreased on a percentage basis in the mid-single digits over the same period.

North American network inventories

As at July 31, 2026, the Company's North American network inventories increased by 2% compared to July 31, 2025. The increase was primarily driven by higher ORV inventory to support retail demand and increased PWC inventory mostly resulting from higher shipments, partially offset by lower Snowmobile inventory.

Results of Operations

Analysis of Results for the Second Quarter of Fiscal 2027

The following section provides an overview of the financial performance of the Company for the three-month period ended July 31, 2026 compared to the same period ended July 31, 2025:

(in millions of Canadian dollars, except margin data)	Three-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Income Statement ^[1]				
Revenues				
Year-Round Products	\$1,485.1	\$1,113.8	371.3	33.3%
Seasonal Products	427.7	469.7	(42.0)	(8.9%)
PA&A, OEM Engines and Others	324.0	304.7	19.3	6.3%
Total Revenues	2,236.8	1,888.2	348.6	18.5%
Gross Profit	262.5	397.7	(135.2)	(34.0%)
Gross Profit Margin (%)	11.7%	21.1%	N/A	(940bps)
Operating Expenses	312.5	307.3	5.2	1.7%
Normalized EBITDA ^[2]	138.8	213.2	(74.4)	(34.9%)
Net Financing Costs	45.2	47.2	(2.0)	(4.2%)
Income Taxes	(31.0)	(20.8)	(10.2)	49.0%
Net (Loss) Income	(136.8)	57.1	(193.9)	(339.6%)
Normalized Net (Loss) Income ^[2]	(13.0)	66.9	(79.9)	(119.4%)
Net Income (Loss) from Discontinued Operations	2.7	(33.6)	36.3	108.0%

^[1] Unless otherwise indicated, figures are on a continuing basis.

^[2] See "Non-IFRS Measures" section.

Revenues

Year-Round Products

The increase in revenues from Year-Round Products was primarily attributable to a higher volume of units sold in ORV to support retail demand and a favourable SSV product mix resulting from the introduction of new models. The increase was also attributable to lower sales programs across all product lines. The increase includes a favourable foreign exchange rate variation of \$37 million.

Seasonal Products

The decrease in revenues from Seasonal Products was primarily attributable to a lower volume of units sold in PWC, mostly reflecting units that were shipped earlier in the first quarter. The decrease was partially offset by lower sales programs in Snowmobile. The decrease includes a favourable foreign exchange rate variation of \$5 million.

PA&A, OEM Engines and Others

The increase in revenues from PA&A, OEM Engines and Others was primarily attributable to a higher volume of PA&A sold, coupled with favourable pricing. The increase was partially offset by unfavourable product mix in OEM Engines. The increase includes a favourable foreign exchange rate variation of \$4 million.

Gross Profit

Gross profit and gross profit margin decreased compared to last year, primarily due to the impacts of Section 232 tariffs on Steel, Aluminum and Copper imports into the United States, as well as the effect of a supplier financial restructuring. These impacts were partially offset by the positive effects of higher volumes and lower sales programs mainly in ORV. The decrease in gross profit includes a favourable foreign exchange rate variation of \$17 million.

Operating Expenses

The following table provides a breakdown of the Company's Operating Expenses for the three-month period ended July 31, 2026 compared to the three-month period ended July 31, 2025:

<i>(in millions of Canadian dollars)</i>	Three-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Selling and marketing	\$116.7	\$112.4	\$4.3	3.8%
Research and development	108.7	96.4	12.3	12.8%
General and administrative	89.3	96.5	(7.2)	(7.5%)
Other operating (income) expenses	(2.2)	2.0	(4.2)	(210.0%)
Operating Expenses ^[1]	\$312.5	\$307.3	\$5.2	1.7%

^[1] Unless otherwise indicated, figures are on a continuing basis.

The increase in operating expenses was mainly attributable to higher investments in R&D to support product development, partially offset by lower G&A expenses due to a special long-term incentive program and the costs associated with executive management transition during the three-month period ended July 31, 2025. The increase in operating expenses includes an unfavourable foreign exchange rate variation of \$1 million.

Normalized EBITDA ^[1]

The decrease in Normalized EBITDA ^[1] was primarily due to lower gross profit combined with increased operating expenses.

Net Financing Costs

The decrease in net financing costs was not material.

Income Taxes

The increase in income tax recovery was due to a lower operating income offset by lower benefits related to tax incentives. The effective income tax rate amounted to 18.5% for the three-month period ended July 31, 2026 compared to (57.3)% for the three-month period ended July 31, 2025. The increase in the effective income tax rate resulted from the tax and accounting treatment of the foreign exchange loss on the Term Facility and lower tax benefits related to tax incentives.

Net (Loss) Income

The decrease in net income was primarily due to lower gross profit, an unfavourable foreign exchange rate variation on the U.S. denominated long-term debt and increased operating expenses.

Normalized Net (Loss) Income ^[1]

The decrease in Normalized net income ^[1] was due to lower gross profit combined with increased operating expenses.

Net Income (Loss) from Discontinued Operations

The increase in net income from discontinued operations was primarily due to the closing of the sales of Alumacraft's and Manitou's assets during the three-month periods ended July 31, 2025 and October 31, 2025 respectively.

^[1] See "Non-IFRS Measures" section.

Geographical Trends for the Second Quarter of Fiscal 2027

Revenues

Revenues by geography <i>(in millions of Canadian dollars)</i>	Three-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Revenues ^[1] (\$)				
United States	\$1,268.8	\$1,080.7	\$188.1	17.4%
Canada	352.6	264.5	88.1	33.3%
International	615.4	543.0	72.4	13.3%
Total Revenues (\$)	\$2,236.8	\$1,888.2		
Revenues (%)				
United States	56.7%	57.2%	N/A	(50bps)
Canada	15.8%	14.0%	N/A	180bps
International	27.5%	28.8%	N/A	(130bps)
Total Revenues (%)	100.0%	100.0%		

^[1] Unless otherwise indicated, figures are on a continuing basis.

United States

The increase in revenues from the United States was primarily due to a higher volume of shipments in ORV and 3WV, as well as lower sales programs and favourable pricing across most product lines. The increase was partially offset by a lower volume of shipments in Seasonal Products. The increase includes a favourable foreign exchange rate variation of \$25 million.

Canada

The increase in revenues from Canada was primarily due to a higher volume of shipments, favourable product mix and lower sales programs across most product lines, as well as favourable pricing across all product lines.

International

The increase in revenues from International was primarily due to a higher volume of shipments in ORV and 3WV, as well as favourable product mix across most product lines. The increase was partially offset by unfavourable pricing across most product lines. The increase includes a favourable foreign exchange rate variation of \$21 million.

Analysis of Results for the First Half of Fiscal 2027

The following section provides an overview of the Company's financial performance for the six-month period ended July 31, 2026 compared to the same period ended July 31, 2025.

(in millions of Canadian dollars, except margin data)	Six-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Income Statement ^[1]				
Revenues				
Year-Round Products	\$2,933.8	\$2,219.6	\$714.2	32.2%
Seasonal Products	996.1	888.9	107.2	12.1%
PA&A, OEM Engines and Others	698.7	626.6	72.1	11.5%
Total Revenues	4,628.6	3,735.1	893.5	23.9%
Gross Profit	824.1	792.5	31.6	4.0%
Gross Profit Margin (%)	17.8%	21.2%	N/A	(340bps)
Operating Expenses	648.6	608.2	40.4	6.6%
Normalized EBITDA ^[2]	473.2	414.0	59.2	14.3%
Net Financing Costs	87.1	92.5	(5.4)	(5.8%)
Income Taxes	16.5	(6.8)	23.3	342.6%
Net (Loss) Income	(9.5)	218.1	(227.6)	(104.4%)
Normalized Net Income ^[2]	121.5	101.5	20.0	19.7%
Net Income (Loss) from Discontinued Operations	4.3	(44.5)	48.8	109.7%

^[1] Unless otherwise indicated, figures are on a continuing basis.

^[2] See "Non-IFRS Measures" section.

Revenues

Year-Round Products

The increase in revenues from Year-Round Products was primarily attributable to a higher volume of units sold across most product lines and to a favourable product mix in ORV resulting from the introduction of new models and features in this product category. The increase was also attributable to lower sales programs and favourable pricing across most product lines. The increase includes a favourable foreign exchange rate variation of \$23 million.

Seasonal Products

The increase in revenues from Seasonal Products was primarily attributable to a higher volume of PWC and Pontoon sold compared to the same period last year. The increase was also attributable to lower sales programs in Snowmobile and favourable pricing in PWC. The increase includes a favourable foreign exchange rate variation of \$4 million.

PA&A, OEM Engines and Others

The increase in revenues from PA&A, OEM Engines and Others was primarily attributable to a higher volume of PA&A and OEM Engines sold, as well as favourable pricing net of sales programs in these product categories. The increase was partially offset by unfavourable product mix in OEM Engines. The increase includes a favourable foreign exchange rate variation of \$4 million.

Gross Profit

Gross profit increased compared to last year, reflecting the positive impacts of higher volumes, lower sales programs and favourable pricing, partially offset by the impacts of Section 232 tariffs. Gross profit margin decreased compared to last year, primarily due to the impacts of Section 232 tariffs, as well as the effect of a supplier financial restructuring. These impacts were partially offset by positive effects of higher volumes, lower sales programs and favourable pricing.

Operating Expenses

The following table provides a breakdown of the Company's Operating Expenses for the six-month period ended July 31, 2026 compared to the six-month period ended July 31, 2025:

(in millions of Canadian dollars)	Six-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Selling and marketing	\$247.1	\$219.8	\$27.3	12.4%
Research and development	227.5	201.4	26.1	13.0%
General and administrative	177.4	174.3	3.1	1.8%
Other operating (income) expenses	(3.4)	12.7	(16.1)	(126.8%)
Operating Expenses ^[1]	\$648.6	\$608.2	\$40.4	6.6%

^[1] Unless otherwise indicated, figures are on a continuing basis.

The increase in operating expenses was mainly attributable to higher S&M expenses following the launch of campaigns to support revenue growth, as well as increased investments in R&D to support product development. The increase was partially offset by a favourable foreign exchange variation on working capital, net of forward contracts. The increase in operating expenses includes a favourable foreign exchange rate variation of \$9 million.

Normalized EBITDA ^[1]

The increase in Normalized EBITDA ^[1] was primarily due to higher gross profit, partially offset by increased operating expenses.

Net Financing Costs

The decrease in net financing costs primarily resulted from a lower interest expense on the Term Facility due to a lower average interest rate and lower outstanding nominal amount.

Income Taxes

The increase in income tax expense was mainly due to lower tax benefits related to tax incentives. The effective income tax rate amounted to 235.7% for the six-month period ended July 31, 2026 compared to (3.2)% for the six-month period ended July 31, 2025. The increase resulted primarily from the tax and accounting treatment of the foreign exchange loss (gain) on the Term Facility, as well as lower tax benefits related to tax incentives.

Net (Loss) Income

The decrease in net income was primarily due to an unfavourable foreign exchange rate variation on the U.S. denominated long-term debt and to a higher income tax expense.

Normalized Net Income ^[1]

The increase in Normalized net income ^[1] was primarily due to higher gross profit, partially offset by increased operating expenses.

Net Income (Loss) from Discontinued Operations

The increase in net income from discontinued operations was primarily due to the closing of the sales of Alumacraft's and Manitou's assets during the three-month periods ended July 31, 2025 and October 31, 2025 respectively.

^[1] See "Non-IFRS Measures" section.

Geographical Trends for the First Half of Fiscal 2027

Revenues

Revenues by geography <i>(in millions of Canadian dollars)</i>	Six-month periods ended		Variance (\$)	Variance (%)
	July 31, 2026	July 31, 2025		
Revenues ^[1] (\$)				
United States	\$2,596.3	\$2,090.4	\$505.9	24.2%
Canada	748.3	490.3	258.0	52.6%
International	1,284.0	1,154.4	129.6	11.2%
Total Revenues (\$)	\$4,628.6	\$3,735.1		
Revenues (%)				
United States	56.1%	56.0%	N/A	10bps
Canada	16.2%	13.1%	N/A	310bps
International	27.7%	30.9%	N/A	(320bps)
Total Revenues (%)	100.0%	100.0%		

^[1] Unless otherwise indicated, figures are on a continuing basis.

United States

The increase in revenues from the United States was primarily due to a higher volume of shipments, lower sales programs and favourable pricing across most product lines, as well as favourable product mix in SSV. The increase was partially offset by a lower volume of shipments in Snowmobile and unfavourable product mix across most product lines. The increase includes an unfavourable foreign exchange rate variation of \$8 million.

Canada

The increase in revenues from Canada was primarily due to a higher volume of shipments, favourable product mix and lower sales programs across most product lines, as well as favourable pricing across all product lines.

International

The increase in revenues from International was primarily due to a higher volume of shipments and favourable product mix across most product lines. The increase was partially offset by unfavourable pricing and higher sales programs in PWC and ORV. The increase includes a favourable foreign exchange rate variation of \$39 million.

Discontinued Operations

Manitou and Alumacraft

During the year ended January 31, 2026, the Company completed the sales of Alumacraft Boat Co. ("Alumacraft") and Triton Industries Inc. ("Manitou"). Consequently, these businesses are presented as discontinued operations as of July 31, 2025, and the associated assets and liabilities were disposed as at January 31, 2026.

Telwater

During the three-month period ended April 30, 2025, the Company announced a definitive agreement to sell 100% of the outstanding shares of Telwater Pty, Ltd. to Yamaha Motor Australia Pty, Ltd. On December 18, 2025, the Company acknowledged the Australian Competition and Consumer Commission's decision to oppose the proposed sale of Telwater to Yamaha Motor Australia Pty Ltd., a subsidiary of Yamaha Motor Co., Ltd. The Company continues to pursue potential buyers, keeping Telwater under the sale process.

As at July 31, 2026, Telwater is presented as discontinued operations and the associated assets and liabilities as held for sale.

The net income (loss) and comprehensive income (loss) from discontinued operations, as presented in Note 14 of the unaudited condensed consolidated interim financial statements, are as follows:

(in millions of Canadian dollars)	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Revenues	\$32.0	\$42.8	\$60.6	\$105.8
Cost of sales	26.1	74.8	50.5	141.2
Gross profit (loss)	5.9	(32.0)	10.1	(35.4)
Operating expenses				
Selling and marketing	0.7	2.7	1.4	9.0
Research and development	0.1	2.6	0.3	7.4
General and administrative	1.4	2.7	2.6	5.5
Other operating (income) expenses	(0.2)	4.0	(0.6)	0.9
Total operating expenses	2.0	12.0	3.7	22.8
Operating income (loss)	3.9	(44.0)	6.4	(58.2)
Financing (income) costs	(0.1)	0.1	(0.1)	0.1
Income (loss) before income taxes	4.0	(44.1)	6.5	(58.3)
Income tax expense (recovery)	1.3	(10.5)	2.2	(13.8)
Net income (loss) from discontinued operations	\$2.7	\$(33.6)	\$4.3	\$(44.5)

	Three-month periods ended		Six-month periods ended	
(in millions of Canadian dollars)	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Net income (loss) from discontinued operations ^[1]	\$2.7	\$(33.6)	\$4.3	\$(44.5)
Net changes in unrealized gain (loss) on translation of foreign operations	0.2	(0.7)	0.9	7.3
Total comprehensive income (loss) from discontinued operations ^[1]	\$2.9	\$(34.3)	\$5.2	\$(37.2)

^[1] Nil amount of net income (loss) and comprehensive income (loss) are attributable to non-controlling interest.

As at July 31, 2026, the carrying amount of assets and liabilities presented as held for sale is as follows:

(in millions of Canadian dollars)	July 31, 2026	January 31, 2026
Inventories	\$13.8	\$13.6
Property, plant and equipment	72.2	69.4
Intangible assets	40.3	38.7
Other assets	4.6	4.4
Assets classified as held for sale	\$130.9	\$126.1
Trade payables and accruals	11.7	8.8
Provisions	7.3	6.9
Deferred tax liabilities	9.2	8.7
Other liabilities	2.2	2.4
Liabilities associated to assets classified as held for sale	\$30.4	\$26.8
Assets net of liabilities held for sale	\$100.5	\$99.3

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

	Six-month periods ended	
(in millions of Canadian dollars)	July 31, 2026	July 31, 2025
Net cash flows from (used in) operating activities	\$0.4	\$(60.7)
Net cash flows (used in) from investing activities	(1.4)	16.5
Net cash flows from financing activities	—	44.5
Net cash flows (used in) from discontinued operations	\$(1.0)	\$0.3

Foreign Exchange

The key average exchange rates used to translate foreign-denominated revenues and expenses, excluding any effect of the Company's hedging program for the three- and six-month periods ended July 31, 2026, were as follows:

	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
U.S. dollars (CA\$/US\$)	1.3953	1.3740	1.3828	1.3978
Euro (CA\$/€)	1.6103	1.5788	1.6066	1.5577

The key period-end exchange rates used to translate foreign-denominated assets and liabilities were as follows:

	July 31, 2026	January 31, 2026
U.S. dollars (CA\$/US\$)	1.4031	1.3558
Euro (CA\$/€)	1.6159	1.6114

When comparing the operating income (loss) and the income (loss) before income tax for the three- and six-month periods ended July 31, 2026, the impacts of foreign exchange fluctuations were as follows:

<i>(in millions of Canadian dollars)</i>	Foreign exchange (gain) loss	
	Three-month period	Six-month period
Revenues	\$(46.0)	\$(31.0)
Cost of sales	29.5	30.6
Impact of foreign exchange fluctuations on gross profit	(16.5)	(0.4)
Operating expenses	1.0	(8.7)
Impact of foreign exchange fluctuations on operating income	(15.5)	(9.1)
Long-term debt	65.7	200.9
Net financing costs	(0.7)	—
Impact of foreign exchange fluctuations on income before income taxes	\$49.5	\$191.8

Liquidity and Capital Resources

Liquidity

The Company's primary sources of cash consist of existing cash balances, operating activities and available borrowings under the Revolving Credit Facility, Term Facility, Term Loans and Bank Overdraft.

The Company's primary use of cash is to fund operations, working capital requirements and capital expenditures in connection with product development and manufacturing infrastructure. The fluctuation of working capital requirements is primarily due to the seasonality of the Company's production schedule and product shipments.

A summary of consolidated net cash flows by activity for the six-month periods ended July 31, 2026 and 2025 is presented below:

	Six-month periods ended	
	July 31, 2026	July 31, 2025
<i>(in millions of Canadian dollars)</i>		
Net cash flows generated from operating activities	\$686.8	\$373.1
Net cash flows used in investing activities	(126.2)	(119.1)
Net cash flows used in financing activities	(341.0)	(174.0)
Effect of exchange rate changes on cash and cash equivalents	1.1	11.6
Net increase in cash and cash equivalents	220.7	91.6
Cash and cash equivalents at beginning of period	427.8	180.0
Cash and cash equivalents at end of period	\$648.5	\$271.6
Free cash flow ^[1]	\$559.4	\$239.2

As presented in the unaudited condensed consolidated interim financial statements, the cash flow will be analyzed on a consolidated basis.

Net Cash Flows Generated from Operating Activities

A summary of consolidated cash flows from operating activities for the six-month periods ended July 31, 2026 and 2025 is presented below:

	Six-month periods ended	
	July 31, 2026	July 31, 2025
<i>(in millions of Canadian dollars)</i>		
Net income (loss)	\$(5.2)	\$173.6
Non-cash and non-operating items	381.3	208.5
Changes in working capital	320.8	36.5
Income taxes paid, net of refunds	(10.1)	(45.5)
Net cash flows generated from operating activities	\$686.8	\$373.1

Net cash flows generated from operating activities totalled \$686.8 million for the six-month period ended July 31, 2026 compared to \$373.1 million for the six-month period ended July 31, 2025. The \$313.7 million increase in net cash flows generated was mainly due to favourable changes in working capital and lower income taxes paid, partially offset by lower profitability. The favourable changes in working capital were driven by higher provisions and a decrease in trade receivables, partially offset by an increase in inventories.

^[1] See "Non-IFRS Measures" section.

Net Cash Flows Used in Investing Activities

A summary of consolidated cash flows used in investing activities for the six-month periods ended July 31, 2026 and 2025 is presented below:

	Six-month periods ended	
	July 31, 2026	July 31, 2025
<i>(in millions of Canadian dollars)</i>		
Additions to property, plant and equipment	\$(105.5)	\$(115.5)
Additions to intangible assets	(21.9)	(18.4)
Other	1.2	14.8
Net cash flows used in investing activities	\$(126.2)	\$(119.1)

Net cash flows used in investing activities totalled \$126.2 million for the six-month period ended July 31, 2026 compared to \$119.1 million for the six-month period ended July 31, 2025. The \$7.1 million increase in net cash flows used was not significant, reflecting comparable investments in property, plant and equipment and intangible assets compared to the same period last year.

Net Cash Flows Used in Financing Activities

A summary of consolidated cash flows used in financing activities for the six-month periods ended July 31, 2026 and 2025 is presented below:

	Six-month periods ended	
	July 31, 2026	July 31, 2025
<i>(in millions of Canadian dollars)</i>		
Repurchase of subordinate voting shares	\$(195.3)	\$—
Dividends paid	(36.4)	(31.3)
Repayment of long-term debt	(25.4)	(31.4)
Interest paid	(82.6)	(86.0)
Repayment of lease liabilities	(27.8)	(29.1)
Issuance of subordinate voting shares	26.0	0.6
Other	0.5	3.2
Net cash flows used in financing activities	\$(341.0)	\$(174.0)

Net cash flows used in financing activities totalled \$341.0 million for the six-month period ended July 31, 2026 compared to \$174.0 million for the six-month period ended July 31, 2025. The \$167.0 million increase in net cash flows used was mainly attributable to the repurchase of subordinate voting shares during the six-month period ended July 31, 2026. The increase was partially offset by a higher number of stock options exercised during the same period.

Contractual Obligations

The following table summarizes the Company's significant contractual obligations as at July 31, 2026:

<i>(in millions of Canadian dollars)</i>	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total amount
Trade payables and accruals	\$1,505.7	\$—	\$—	\$—	\$1,505.7
Long-term debt (including interest)	196.5	401.6	2,498.7	—	3,096.8
Lease liabilities (including interest)	74.3	131.4	89.5	368.6	663.8
Derivative financial instruments	23.9	6.8	—	—	30.7
Other financial liabilities	152.1	24.2	20.6	25.5	222.4
Other liabilities	33.9	8.6	—	—	42.5
Total	\$1,986.4	\$572.6	\$2,608.8	\$394.1	\$5,561.9

The Company enters into purchasing agreements with suppliers related to material used in production. These agreements are usually entered into before production begins and may specify a fixed or variable quantity of material to be purchased. Due to the uncertainty as to the amount and pricing of material that may be purchased, the Company is not able to determine with precision its commitments in connection with these supply agreements.

Management believes that the Company's operating activities and available financing capacity will provide adequate sources of liquidity to meet its short-term and long-term needs.

Capital Resources

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 July 31, 2026, the Company had no outstanding amount drawn on the Revolving Credit Facility (nil as at January 31, 2026). Commitment fees on the undrawn amount of the Revolving Credit Facility, varying from 0.25% to 0.40%, were 0.25%.

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 July 31, 2026, in Canadian dollars, was either the CORRA plus 1.70% or the Canadian Prime Rate plus 0.70%. In U.S. dollars, it was either the SOFR plus 1.70%, the U.S. Base Rate plus 0.70% or the U.S. Prime Rate plus 0.70%. In Euros, it was the EURIBOR plus 1.70%.

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. The total amount available was \$1,265.0 million as at July 31, 2026.

As at July 31, 2026, the Company had issued letters of credit for an amount of \$20.7 million under the Revolving Credit Facility (\$20.0 million as at January 31, 2026). In addition, \$4.8 million in letters of credit were outstanding under other agreements as at July 31, 2026, (\$5.1 million as at January 31, 2026).

<i>(in millions of Canadian dollars)</i>	July 31, 2026	January 31, 2026
Bank overdraft	\$—	\$—
Issued letters of credit under the Revolving Credit Facility	20.7	20.0
Other outstanding letters of credit	4.8	5.1

Term Facility

As at July 31, 2026, the cost of borrowing under the Term Loan was as follows:

Loan	Cost of Borrowing
Term Loan B-2	▪ Term SOFR plus 2.25% per annum, with a Term SOFR floor of 0.50%
Term Loan B-3	▪ Term SOFR plus 2.25% 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. \$8.7 million (\$12.0 million) during the six-month period ended July 31, 2026 (U.S. \$7.5 million (\$10.4 million) during the six-month period ended July 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 July 31, 2026 and 2025, the Company was not required to repay any portion of the Term Facility under this requirement.

Austrian Term Loans

As at July 31, 2026, the Company had €58.8 million (\$94.9 million) outstanding under its Austrian term loans bearing interest at a range between 0.93% to 3.50% and maturing between March 2027 and December 2030.

Lease Liabilities

As at July 31, 2026, the contractual obligations in relation to assets recognized under lease agreements amounted to \$663.8 million (\$258.8 million as at January 31, 2026).

Normal Course Issuer Bid Program

During the six-month period ended July 31, 2026, the Company continued share repurchases under the NCIB that was announced and started during the fiscal year ended January 31, 2026 and repurchased for cancellation 2,258,400 subordinate voting shares, for a total consideration of \$201.7 million, of which \$6.4 million will be paid upon settlement.

As at July 31, 2026, a \$42.3 million financial liability, with a corresponding amount in equity, was recorded in the consolidated statements of financial position in relation to the NCIB. This liability represented the value of subordinate voting shares expected to be repurchased by a designated broker under an automatic share purchase plan. This automatic share purchase plan allows the designated broker to purchase subordinate voting shares under pre-set conditions at times when the Company would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods.

Dividend

On September 2, 2026, the Company's Board of Directors declared a quarterly dividend of \$0.25 per share for holders of its multiple and subordinate voting shares. The dividend will be paid on October 13, 2026 to shareholders of record at the close of business on September 29, 2026.

The Board of Directors has determined that this quarterly dividend is appropriate based on several relevant factors, including, without limitation, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants (including restrictions in the Term Facility and the Revolving Credit Facility or other material agreements) and solvency tests imposed by corporate law.

The payment of each quarterly dividend remains subject to the declaration of that dividend by the Board of Directors. The actual amount, the declaration date, the record date and the payment date of each quarterly dividend are subject to the discretion of the Board of Directors.

Consolidated Financial Position

The following table reflects the main variances that have occurred in the Company's unaudited condensed consolidated interim statements of financial position between July 31, 2026 and January 31, 2026, the impact of the fluctuation of exchange rates on such variances, the related net variance (excluding the impact of the fluctuation of exchange rates on such variances) as well as explanations for the net variance:

<i>(in millions of Canadian dollars)</i>	July 31, 2026	January 31, 2026	Variance	Exchange Rate Impact	Net Variance	Explanation of Net Variance
Trade and other receivables	\$393.7	\$607.2	\$(213.5)	\$(9.3)	\$(222.8)	Mostly explained by additional factoring of trade receivables and seasonality.
Inventories	1,923.7	1,824.6	99.1	(26.4)	72.7	Mostly explained by higher raw materials and work in progress inventory.
Property, plant and equipment	1,757.2	1,816.8	(59.6)	(7.1)	(66.7)	Mostly explained by depreciation.
Right-of-use assets	467.5	212.2	255.3	(3.0)	252.3	The increase in right-of-use assets was primarily attributable to a new PA&A distribution center.
Trade payables and accruals	1,505.7	1,515.2	(9.5)	8.3	(1.2)	Variance is not material.
Provisions	1,055.1	858.1	197.0	(20.9)	176.1	Mostly explained by higher sales programs and the tariffs provision.
Long-term debt, including current portion	2,499.5	2,442.3	57.2	(81.7)	(24.5)	Mostly explained by payments of principal.
Lease liabilities	500.0	237.4	262.6	(4.7)	257.9	The increase in lease liabilities was primarily attributable to a new PA&A distribution center.
Other financial liabilities	253.1	145.3	107.8	(1.3)	106.5	Mostly explained by the automatic share purchase plan and the supplier financial restructuring liabilities.

Off-Balance Sheet Arrangements

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. Approximately three-quarters of the Company's sales are made under such agreements. The parties listed above have agreements with Huntington Distribution Finance, Inc., Huntington Commercial Finance Canada Inc., Huntington Commercial Finance LLC and Huntington Commercial Finance New Zealand Ltd (collectively, "Huntington"), to provide financing facilities in North America, Australia and New Zealand, and with Wells Fargo Commercial Distribution Finance, Wells Fargo Bank International Unlimited Company and Wells Fargo International Finance LLC (collectively "Wells Fargo") for financing facilities in North America. The agreement between the Company and Huntington will expire on January 31, 2028. During the three-month period ended July 31, 2025, the Company signed a wholesale financing agreement in Europe with De Lage Landen International B.V. ("DLL"), in replacement of the Wells Fargo Bank International Unlimited Company agreement that expired on January 31, 2026. The agreement became effective on December 12, 2025.

The total consolidated amount of financing provided to the Company's independent dealers and distributors totalled \$2,142.0 million and \$4,380.3 million for the three- and six-month periods ended July 31, 2026, compared to \$1,603.8 million and \$3,096.2 million for the three- and six-month periods ended July 31, 2025. The outstanding consolidated financing between the Company's independent dealers and distributors and third-party finance companies amounted to \$2,800.1 million and \$2,635.2 million as at July 31, 2026, and January 31, 2026, respectively.

The breakdown of consolidated outstanding amounts by country and local currency between the Company's independent dealers and distributors with third-party finance companies were as follows, as at:

(in millions)	Currency	July 31, 2026	January 31, 2026
Total outstanding	CAD	\$2,800.1	\$2,635.2
United States	USD	\$1,356.3	\$1,399.1
Canada	CAD	\$594.3	\$533.4
Europe	EUR	€ 107.5	€ 55.5
Australia and New Zealand	AUD	\$131.1	\$121.7
Total outstanding - continuing operations	CAD	\$2,733.7	\$2,564.9
Total outstanding - discontinued operations	CAD	\$66.4	\$70.3

The consolidated costs incurred by the Company under the dealers' and distributors' financing agreements totalled \$32.5 million and \$60.0 million for the three- and six-month periods ended July 31, 2026 compared to \$24.6 million and \$51.0 million for the three- and six-month periods ended July 31, 2025.

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. \$25.0 million (\$35.1 million) or 10% of the last twelve-month average amount of consolidated financing outstanding under the financing agreements (\$261.2 million as at July 31, 2026) and;
- ii) Euro €10.0 million (\$16.2 million) or 10% of the calendar year twelve-month average amount of consolidate financing outstanding under the financing agreements (not applicable as at July 31, 2026).

As such, the maximum consolidated amount subject to the Company's obligation to purchase repossessed new and unused products from the finance companies was \$278.9 million as at July 31, 2026 and \$284.4 million as at January 31, 2026. This includes a remaining obligation of \$1.5 million from financing agreements with Wells Fargo.

For the six-month period ended July 31, 2026, the Company incurred a loss of \$0.1 million related to new and unused products repossessed by the finance companies (\$0.5 million loss for the six-month period ended July 31, 2025).

Consumer Financing Arrangements

The Company has contractual relationships with third-party financing companies in order to facilitate consumer credit for the purchase of its products in North America. The agreements generally allow the Company to offer a subsidized interest rate to consumers for a certain limited period under certain sales programs. Under these contracts, the Company's financial obligations are related to the commitments made under certain sales programs.

Transaction Between Related Parties

Transactions with 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 committed to reimburse to Bombardier Inc. income taxes amounting to \$22.6 million as at July 31, 2026 and \$22.4 million as at January 31, 2026, respectively. The payments will begin when Bombardier Inc. starts making income tax payments in Canada and/or in the United States. The Company does not expect to make any payments to Bombardier Inc. in relation to that obligation for Fiscal 2027.

Financial Instruments

The Company's financial instruments, divided into financial assets and financial liabilities, are measured at the end of each period at fair value or amortized costs using the effective interest method depending on their classification determined by IFRS. By nature, financial assets are exposed to credit risk whereas financial liabilities are exposed to liquidity risk. Additionally, the Company's financial instruments and transactions could be denominated in foreign currency creating a foreign exchange exposure that could be mitigated by the use of derivative financial instruments. The Company is to a lesser extent exposed to interest risk associated to its Revolving Credit Facility, Term Facility and Austrian term loans.

Foreign Exchange Risk

The elements presented in the Company's unaudited condensed consolidated interim financial statements in Canadian dollars are significantly exposed to the fluctuation of exchange rates, mainly the Canadian dollar/U.S. dollar rate and the Canadian dollar/euro rate.

The Company's cash inflows and outflows are mainly comprised of Canadian dollars, U.S. dollars and euros. The Company intends to maintain, as a result of its business transactions, a certain offset position on U.S. dollar and euro denominated cash inflows and outflows.

For some 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. Those contracts are accounted for under the cash flow hedge model covering highly probable forecasted sales in these currencies, and the gains or losses on those derivatives are recorded in net income only when the forecasted sales occur.

Finally, the Company reduces the exposure on its net income arising from the revaluation at period-end of monetary items denominated in a different functional currency by using foreign exchange contracts. Those contracts are recorded in net income at each period end in order to mitigate the gains or losses resulting from the revaluation at spot rate of these foreign-denominated positions.

While the Company's operating income is protected, to a certain extent, from significant fluctuations of foreign exchange rates resulting from the application of the Company's hedging strategy, the net income is significantly exposed to Canadian dollar/U.S. dollar rate fluctuations due to the U.S. dollar-denominated long-term debt. However, there is a monetary impact for the Company only to the extent the Term Facility is repaid.

Liquidity Risk

The Company is exposed to the risk of encountering difficulty in meeting obligations related to its financial liabilities. In order to manage its liquidity risk accurately, the Company continuously monitors its operating cash requirements taking into account the seasonality of the Company's working capital needs, revenues and expenses. The Company believes the cash flows generated from operations combined with its cash on hand and the availability of funds under its credit facility ensures its financial flexibility and mitigates its liquidity risk.

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 arrangements with Huntington, Wells Fargo and DLL.

The Company considers that its credit risk associated with its trade receivables and its limited responsibilities under the dealer and distributor financing agreements with Huntington, Wells Fargo and DLL 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 the creditworthiness of the dealers and distributors in the different geographic areas.

Interest Rate Risk

The Company is exposed to the variation of interest rates mainly resulting from the Term SOFR on its Term Facility. However, the Company entered into interest rate cap contracts, which limit its exposure to interest rate increase.

Non-IFRS Measures and Reconciliation Tables

The Company uses non-IFRS measures and ratio, including the following:

Non-IFRS measures	Definition	Reason for use
Normalized EBITDA	Net income before financing costs, financing income, income tax expense (recovery), depreciation expense and normalized elements	Assist investors in determining the financial performance of the Company's operating activities on a consistent basis by excluding certain non-cash elements such as depreciation expense, impairment charge, foreign exchange gain or loss on the Company's long-term debt denominated in U.S. dollars and foreign exchange gain or loss on certain of the Company's lease liabilities. Other elements, such as restructuring and wind-down costs, non-recurring gain or loss and acquisition-related costs, may be excluded from net income in the determination of Normalized EBITDA as they are considered not being reflective of the operational performance of the Company
Normalized net income	Net income before normalized elements adjusted to reflect the tax effect on these elements	In addition to the financial performance of operating activities, these measures consider the impact of investing activities, financing activities and income taxes on the Company's financial results
Normalized income tax expense	Income tax expense adjusted to reflect the tax effect on normalized elements and to normalize specific tax elements	Assist investors in determining the tax expense relating to the normalized items explained above, as they are considered not being reflective of the operational performance of the Company
Normalized effective tax rate	Based on Normalized net income before Normalized income tax expense	Assist investors in determining the effective tax rate including the normalized items explained above, as they are considered not being reflective of the operational performance of the Company
Normalized earnings per share – diluted	Calculated by dividing the Normalized net income by the weighted average number of shares – diluted	Assist investors in determining the normalized financial performance of the Company's activities on a per share basis
Free cash flow	Cash flows from operating activities less additions to PP&E and intangible assets	Assist investors in assessing the Company's liquidity generation abilities that could be available for shareholders, debt repayment and business combination, after capital expenditure

The Company believes non-IFRS measures are important supplemental measures of financial performance because they eliminate items that have less bearing on the Company's financial performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. Management also uses non-IFRS measures in order to facilitate financial performance comparisons from period to period, prepare annual operating budgets, assess the Company's ability to meet its future debt service, capital expenditure and working capital requirements and also as a component in the determination of the short-term incentive compensation for the Company's employees. Because other companies may calculate these non-IFRS measures differently than the Company does, these metrics are not comparable to similarly titled measures reported by other companies.

Reconciliation Tables ^[2]

The following table presents the reconciliation of Net income to Normalized net income ^[1] and Normalized EBITDA ^[1].

(in millions of Canadian dollars)	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Net (loss) income	\$(136.8)	\$57.1	\$(9.5)	\$218.1
Normalized elements				
Foreign exchange loss (gain) on long-term debt and lease liabilities	73.7	7.0	82.7	(121.6)
Costs related to business combinations ^[3]	1.0	3.3	2.1	6.4
Special long-term incentive program ^[4]	—	4.4	—	4.4
Executive management transition cost ^[5]	—	2.5	—	2.5
Supplier financial restructuring ^[6]	74.8	—	74.8	—
Other elements ^[7]	—	1.0	—	1.9
Income tax adjustment ^{[1] [8]}	(25.7)	(8.4)	(28.6)	(10.2)
Normalized net income (loss) ^[1]	(13.0)	66.9	121.5	101.5
Normalized income tax expense (recovery) ^[1]	(5.3)	(12.4)	45.1	3.4
Financing costs adjusted ^[1]	50.3	50.5	94.9	97.1
Financing income	(5.4)	(3.3)	(8.5)	(4.6)
Depreciation expense adjusted ^[1]	112.2	111.5	220.2	216.6
Normalized EBITDA ^[1]	\$138.8	\$213.2	\$473.2	\$414.0

^[1] See "Non-IFRS Measures" section.

^[2] Figures are on a continuing basis.

^[3] Transaction costs and depreciation of intangible assets related to business combinations.

^[4] Incremental fair value recorded as a result of a special long-term incentive program.

^[5] Includes the impact of accelerated vesting of executive management stock options.

^[6] Includes the costs associated to a supplier financial restructuring.

^[7] Other elements include transaction costs associated with the sale of the Marine businesses and restructuring costs.

^[8] Income tax adjustment is related to the income tax on Normalized elements subject to tax and for which income tax has been recognized and to the adjustment related to the impact of foreign currency translation from Mexican operations.

The following table presents the reconciliation of consolidated net cash flows generated from operating activities to consolidated free cash flow ^[1].

	Six-month periods ended	
	July 31, 2026	July 31, 2025
<i>(millions of Canadian dollars)</i>		
Net cash flows generated from operating activities	\$686.8	\$373.1
Additions to property, plant and equipment	(105.5)	(115.5)
Additions to intangible assets	(21.9)	(18.4)
Free cash flow ^[1]	\$559.4	\$239.2
Free cash flow from continuing operations ^[1]	\$560.4	\$301.9
Free cash flow used in discontinued operations ^[1]	\$(1.0)	\$(62.7)

^[1] See "Non-IFRS Measures" section.

The following table ^[2] presents the reconciliation of items as included in the Normalized net income ^[1] and Normalized EBITDA ^[1] compared to respective IFRS measures as well as the Normalized EPS – basic and diluted ^[1] calculation.

	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
<i>(millions of Canadian dollars, except per share data)</i>				
Depreciation expense reconciliation				
Depreciation expense	\$112.9	\$113.0	\$221.6	\$219.5
Depreciation of intangible assets related to business combinations	(0.7)	(1.5)	(1.4)	(2.9)
Depreciation expense adjusted ^[1]	\$112.2	\$111.5	\$220.2	\$216.6
Income tax expense reconciliation				
Income tax expense (recovery)	\$(31.0)	\$(20.8)	\$16.5	\$(6.8)
Income tax adjustment ^[3]	25.7	8.4	28.6	10.2
Normalized income tax expense (recovery) ^[1]	\$(5.3)	\$(12.4)	\$45.1	\$3.4
Financing costs reconciliation				
Financing costs	\$50.6	\$50.5	\$95.6	\$97.1
Other	(0.3)	—	(0.7)	—
Financing costs adjusted ^[1]	\$50.3	\$50.5	\$94.9	\$97.1
Normalized basic EPS ^[1] calculation				
Normalized net income (loss) ^[1]	\$(13.0)	\$66.9	\$121.5	\$101.5
Non-controlling interests	0.2	0.8	0.8	0.9
Weighted average number of shares - basic	72,756,365	73,040,187	72,950,539	73,036,072
Normalized basic EPS ^[1]	\$(0.18)	\$0.93	\$1.68	\$1.40
Normalized diluted EPS ^[1] calculation				
Normalized net income (loss) ^[1]	\$(13.0)	\$66.9	\$121.5	\$101.5
Non-controlling interests	0.2	0.8	0.8	0.9
Weighted average number of shares - diluted ^[4]	72,756,365	73,616,757	73,529,444	73,569,234
Normalized diluted EPS ^[1]	\$(0.18)	\$0.92	\$1.66	\$1.39

^[1] See "Non-IFRS Measures" section.

^[2] Figures are on a continuing basis.

^[3] Income tax adjustment is related to the income tax on Normalized elements subject to tax and for which income tax has been recognized and to the adjustment related to the impact of foreign currency translation from Mexican operations.

^[4] The weighted average number of diluted shares outstanding used in calculating Normalized diluted EPS ^[1] for the six-month period ended July 31, 2026 was 73,529,444. The difference in the weighted average number of diluted shares outstanding used in calculating diluted EPS is explained by a reported net loss under IFRS Measures for the same period.

Summary of Consolidated Quarterly Results ^[2]

	Three-month periods ended							
	July 31, 2026 Fiscal 2027	April 30, 2026 Fiscal 2027	January 31, 2026 Fiscal 2026	October 31, 2025 Fiscal 2026	July 31, 2025 Fiscal 2026	April 30, 2025 Fiscal 2026	January 31, 2025 Fiscal 2025	October 31, 2024 Fiscal 2025
<i>(millions of Canadian dollars, except per share and gross profit data)</i>								
Revenues								
Year-Round Products	\$1,485.1	\$1,448.7	\$1,317.2	\$1,265.6	\$1,113.8	\$1,105.8	\$1,128.0	\$1,036.4
Seasonal Products	427.7	568.4	796.4	606.2	469.7	419.2	677.5	616.0
PA&A, OEM Engines and Others	324.0	374.7	343.7	378.5	304.7	321.9	312.8	321.1
Total revenues	2,236.8	2,391.8	2,457.3	2,250.3	1,888.2	1,846.9	2,118.3	1,973.5
Gross profit	262.5	561.6	553.6	541.2	397.7	394.8	421.8	435.1
<i>As a percentage of revenues</i>	11.7%	23.5%	22.5%	24.1%	21.1%	21.4%	19.9%	22.0%
Net (loss) income	(136.8)	127.3	45.8	76.5	57.1	161.0	(50.5)	30.6
Normalized EBITDA ^[1]	138.8	334.4	363.8	325.6	213.2	200.8	247.0	268.5
Normalized net (loss) income ^[1]	(13.0)	134.5	163.3	117.7	66.9	34.6	76.8	88.5
Basic EPS	(1.88)	1.75	0.64	1.05	0.79	2.21	(0.69)	0.42
Diluted EPS	(1.88)	1.73	0.63	1.04	0.79	2.19	(0.68)	0.42
Normalized basic EPS ^[1]	(0.18)	1.85	2.24	1.61	0.93	0.48	1.06	1.22
Normalized diluted EPS ^[1]	(0.18)	1.83	2.21	1.59	0.92	0.47	1.05	1.20

^[1] See "Non-IFRS Measures" section.

^[2] Unless otherwise indicated, figures are on a continuing basis and prior periods are reclassified accordingly.

Reconciliation Table for Consolidated Quarterly Results ^[2]

	Three-month periods ended							
	July 31, 2026 Fiscal 2027	April 30, 2026 Fiscal 2027	January 31, 2026 Fiscal 2026	October 31, 2025 Fiscal 2026	July 31, 2025 Fiscal 2026	April 30, 2025 Fiscal 2026	January 31, 2025 Fiscal 2025	October 31, 2024 Fiscal 2025
(millions of Canadian dollars)								
Net (loss) income	\$(136.8)	\$127.3	\$45.8	\$76.5	\$57.1	\$161.0	\$(50.5)	\$30.6
Normalized elements								
Foreign exchange (gain) loss on long-term debt and lease liabilities	73.7	9.0	(80.0)	31.8	7.0	(128.6)	103.4	26.2
Cybersecurity incident ^[3]	—	—	—	—	—	—	(12.5)	—
Impairment and other charges ^[4]	—	—	232.5	—	—	—	—	9.4
Costs related to business combinations (reversal) ^[5]	1.0	1.1	1.5	3.1	3.3	3.1	(7.9)	3.6
Exit costs ^[6]	—	—	—	—	—	—	15.1	—
Restructuring and related costs (reversal) ^[7]	—	—	(0.5)	(0.5)	—	—	41.8	11.9
Transaction costs on long-term debt ^[8]	—	—	—	12.6	—	—	—	—
Special long-term incentive program ^[9]	—	—	—	—	4.4	—	—	—
Executive management transition cost ^[10]	—	—	2.5	2.5	2.5	—	—	—
Supplier financial restructuring ^[11]	74.8	—	—	—	—	—	—	—
Other elements ^[12]	—	—	2.0	0.9	1.0	0.9	1.2	—
Income tax adjustment ^{[1][13]}	(25.7)	(2.9)	(40.5)	(9.2)	(8.4)	(1.8)	(13.8)	6.8
Normalized net (loss) income ^[1]	(13.0)	134.5	163.3	117.7	66.9	34.6	76.8	88.5
Normalized income tax expense ^[1]	(5.3)	50.4	41.9	39.7	(12.4)	15.8	19.5	26.3
Financing costs adjusted ^[1]	50.3	44.6	46.5	55.0	50.5	46.6	48.4	51.1
Financing income adjusted ^[1]	(5.4)	(3.1)	(3.2)	(3.2)	(3.3)	(1.3)	(0.9)	(1.3)
Depreciation expense adjusted ^[1]	112.2	108.0	115.3	116.4	111.5	105.1	103.2	103.9
Normalized EBITDA ^[1]	\$138.8	\$334.4	\$363.8	\$325.6	\$213.2	\$200.8	\$247.0	\$268.5

^[1] See "Non-IFRS Measures" section.

^[2] Unless otherwise indicated, figures are on a continuing basis and prior periods are reclassified accordingly.

^[3] During Fiscal 2025, the Company received insurance payments in relation to the cybersecurity incident that occurred in Fiscal 2023.

^[4] During Fiscal 2026, the Company recognized impairment charges related to the EV assets and light mobility CGU, increased provisions related to EV products, as well as reversed the non-controlling interest liability. During Fiscal 2025, the Company recognized an impairment charge on unutilized assets.

^[5] Transaction costs and depreciation of intangible assets related to business combinations.

^[6] The Company impaired service parts inventory related to its Evinrude outboard engine business.

^[7] The Company recorded restructuring costs, which includes severance packages to employees as part of workforce reduction, contract exit costs and supplier claims related to restructuring activities.

^[8] Derecognition of unamortized transaction costs and incremental transaction costs related to the amendment of the Company's Term Facility.

^[9] Incremental fair value recorded as a result of a special long-term incentive program.

^[10] Includes the impact of accelerated vesting of executive management stock options.

^[11] Includes the costs associated with a supplier financial restructuring.

^[12] Other elements include transaction costs associated with the sale of the Marine businesses and fees associated with the secondary offerings that occurred during Fiscal 2025 and 2026.

^[13] Income tax adjustment is related to the income tax on Normalized elements subject to tax and for which income tax has been recognized, to the adjustment related to the impact of foreign currency translation from Mexican operations, and to the deferred income tax on operating losses recorded as part of the impairment in Fiscal 2026.

Selected Consolidated Financial Information

The selected consolidated financial information set out below for the three- and six-month periods ended July 31, 2026 and 2025, has been determined based on the unaudited condensed consolidated interim financial statements and related notes approved on September 2, 2026.

Net Income Data ^[2]

	Three-month periods ended		Six-month periods ended	
(in millions of Canadian dollars)	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Revenues				
Year-Round Products	\$1,485.1	\$1,113.8	\$2,933.8	\$2,219.6
Seasonal Products	427.7	469.7	996.1	888.9
PA&A, OEM Engines and Others	324.0	304.7	698.7	626.6
Total revenues	2,236.8	1,888.2	4,628.6	3,735.1
Cost of sales	1,974.3	1,490.5	3,804.5	2,942.6
Gross profit	262.5	397.7	824.1	792.5
As a percentage of revenues	11.7%	21.1%	17.8%	21.2%
Operating expenses				
Selling and marketing	116.7	112.4	247.1	219.8
Research and development	108.7	96.4	227.5	201.4
General and administrative	89.3	96.5	177.4	174.3
Other operating (income) expenses	(2.2)	2.0	(3.4)	12.7
Total operating expenses	312.5	307.3	648.6	608.2
Operating income (loss)	(50.0)	90.4	175.5	184.3
Net financing costs	45.2	47.2	87.1	92.5
Foreign exchange loss (gain) on long-term debt	72.6	6.9	81.4	(119.5)
Income (loss) before income taxes	(167.8)	36.3	7.0	211.3
Income tax expense (recovery)	(31.0)	(20.8)	16.5	(6.8)
Net (loss) income from continuing operations	\$(136.8)	\$57.1	\$(9.5)	\$218.1
Net income (loss) from discontinued operations	\$2.7	\$(33.6)	\$4.3	\$(44.5)
Net (loss) income	\$(134.1)	\$23.5	\$(5.2)	\$173.6
Attributable to shareholders	\$(133.9)	\$24.3	\$(4.4)	\$174.5
Attributable to non-controlling interest	\$(0.2)	\$(0.8)	\$(0.8)	\$(0.9)
Normalized EBITDA ^[1]	\$138.8	\$213.2	\$473.2	\$414.0
Normalized net income (loss) ^[1]	\$(13.0)	\$66.9	\$121.5	\$101.5

^[1] See "Non-IFRS Measures" section.

^[2] Figures are on a continuing basis.

Other Financial Data ^[3]

(in millions of Canadian dollars, except per share data)	Three-month periods ended		Six-month periods ended	
	July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Weighted average number of shares – basic	72,756,365	73,040,187	72,950,539	73,036,072
Weighted average number of shares – diluted ^[1]	72,756,365	73,616,757	72,950,539	73,569,234
Basic EPS	\$(1.88)	\$0.79	\$(0.12)	\$3.00
Diluted EPS	(1.88)	0.79	(0.12)	2.98
Normalized basic EPS ^[2]	(0.18)	0.93	1.68	1.40
Normalized diluted EPS ^{[1] [2]}	(0.18)	0.92	1.66	1.39
Declared dividends per share	\$0.25	\$0.215	\$0.50	\$0.43

^[1] The weighted average number of diluted shares outstanding used in calculating Normalized diluted EPS ^[2] for the six-month period ended July 31, 2026 was 73,529,444. The difference in the weighted average number of diluted shares outstanding used in calculating diluted EPS is explained by a reported net loss under IFRS Measures for the same period.

^[2] See “Non-IFRS Measures” section.

^[3] Figures are on a continuing basis.

Financial Position Data

As at (in millions of Canadian dollars)	July 31, 2026	January 31, 2026
Cash and cash equivalents	\$647.8	\$427.1
Working capital	441.8	600.3
Property, plant and equipment	1,757.2	1,816.8
Total assets ^[1]	6,505.3	6,196.7
Total non-current financial liabilities	2,969.7	2,647.3
Total liabilities ^[2]	6,270.6	5,685.3
Total equity	335.2	610.7
Long-term debt	2,499.5	2,442.3

^[1] Excludes the assets classified as held for sale as at July 31, 2026, and January 31, 2026.

^[2] Excludes the liability associated to assets classified as held for sale as at July 31, 2026 and January 31, 2026.

Critical Accounting Estimates

Significant Estimates and Judgments

The preparation of the unaudited condensed consolidated interim 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.

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 the condensed consolidated interim 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 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 is determined by comparing inventory components and value with expected sales prices, sales programs and new product features.

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 Regular Product 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.

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 judgments 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.

Controls and Procedures

The Company's President and Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures as well as its internal control over financial reporting, as those terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian securities regulatory authorities and Rule 13a-15(e) and Rule 15d-15(e) under the U.S. Securities *Exchange Act of 1934*, as amended.

Disclosure controls and procedures

As at the end of the reporting period covered by the unaudited condensed consolidated interim financial statements, the President and Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures in order to provide reasonable assurance that:

- material information relating to the Company has been made known to them; and
- information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal control over financial reporting

As at the end of the reporting period covered by the interim financial statements, the President and Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's internal control over financial reporting during the six-month period ended July 31, 2026, that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting. Management determined that the Company's internal control over financial reporting was effective as of July 31, 2026.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Risk Factors

For a detailed description of risk factors associated with the Company, refer to the “Risk Factors” section of the Company’s MD&A for the fourth quarter and the fiscal year ended January 31, 2026. The Company is not aware of any significant changes to the Company’s risk factors from those disclosed at that time.

Disclosure of Outstanding Shares

As at September 1, 2026, the Company had:

<i>Issued and outstanding shares and stock options</i>	
Multiple voting shares with no par value	34,819,204
Subordinate voting shares with no par value	36,331,098
Stock options to acquire subordinate voting shares	2,825,749

Additional Information

Additional information relating to BRP Inc., including the Company's AIF, is available on SEDAR+ at www.sedarplus.ca.