

BMTC GROUP INC. - PRESS RELEASE

For immediate release

BMTC GROUP INC. ANNOUNCES FINANCIAL RESULTS FOR THE SEMESTER ENDED JULY 31st, 2025.

Montréal, September 11th, 2025

Results

For the six-month period ended July 31, 2025, the Company's revenues increased by \$22,837,000 to \$329,375,000 compared to \$306,538,000 recorded for the corresponding period of 2024, an increase of 7.4%. This increase is primarily attributable to the growth in commercial revenue from the Tanguay division, whose revenue rose by \$24,403,000 or 8%. Comparable store sales also increased by 8.4% during the period. In contrast, investment property revenue from the real estate division declined by (\$1,566,000) compared to the corresponding period in 2024, representing a decrease of 97.4%. Net earnings for the six-month period ended July 31, 2025, which amounted to \$4,104,000 compared to the net earnings of \$20,925,000 recorded for the corresponding period of 2024. Basic net earnings per share amounted to \$0.13 compared to \$0.64 recorded for the corresponding period of 2024.

The net earnings recorded consisted of a net loss of (\$8,460,000) from the real estate division and a net earnings of \$12,564,000 from the Tanguay division, compared to a net loss of (\$885,000) and net earnings of \$21,810,000, respectively, for the corresponding period of 2024. The variances observed resulted in a change of (\$7,575,000) for the real estate division and (\$9,246,000) for the Tanguay division.

The variation in the net loss of the real estate division is primarily attributable to the ongoing expansion and optimization work, which is temporarily increasing operating expenses. These projects are expected to be completed during the year, which should allow for a gradual return to improved financial performance for the division.

The variation in net earnings of the Tanguay division for the six-month period ended July 31, 2025, is mainly attributable to the decrease in the after-tax unrealized gain on investments, which amounted to \$4,174,000 compared to \$13,104,000 for the corresponding period, as well as from the realization of an after-tax gain on the disposal of fixed assets totaling \$5,459,000 during the corresponding period of 2024.

During the period ended July 31, 2024, the Company disposed of fixed assets in the amount of \$6,948,000, resulting in an after-tax gain of \$5,459,000, or \$0.17 per basic share. This amount includes an after-tax gain of \$2,097,000, or \$0.07 per basic share, received as an additional settlement obtained by winning the case relating to the expropriation of the former Kirkland store by the Réseau express métropolitain (REM) in 2019. Finally, this amount also includes the sale of its Trois-Rivières store for an amount of \$4,500,000, resulting in an after-tax gain of \$3,362,000, or \$0.10 per basic share.

Although these unfavorable variations had a negative effect, the improvement in Tanguay's operating performance during the period mitigated their impact on net earnings. This improvement mainly stems from the synergies generated by the operational and commercial reorganization implemented in May 2023, the completion of the network revitalization program, as well as the sales growth observed during the period.

For the six-month period ended July 31, 2025, the share repurchase program had no impact on basic net earnings per share. As for the corresponding period of 2024, the share repurchase program contributed to an increase of \$0.01 on basic net earnings per share.

The variation in adjusted net earnings for the non-recurring element would be (\$11,362,000) or (\$0.34) per basic share for the six-month period ended July 31, 2025, when compared to the six-month period ended July 31, 2024, is explained as follows:

(Unaudited and \$ in thousands)

	<u>July 31, 2025</u>	<u>July 31, 2024</u>
Net earnings	4 104	20 925
Gain on disposal of fixed assets (after-tax)	-	(5 459)
Adjusted net earnings	4 104	<u>15 466</u>
Net adjusted earnings prior period	<u>15 466</u>	
Variation	<u>(11 362)</u>	

The variations in net adjusted earnings is allocated as follows :

(Unaudited and \$ in thousands)

	Increase (decrease) In retail operations	Increase (decrease) In investments	Increase (decrease) immeubles de In investment properties	Increase (decrease) In adjusted net earnings
As at April 30, 2025	5 677	(16 773)	(3 298)	(14 394)
As at July 31, 2025	936	6 373	(4 277)	3 032
Total	6 613	(10 400)	(7 575)	(11 362)

Annual financial information

(\$ in thousands, except for per share amounts)

	<u>January 31, 2025</u>	<u>January 31, 2024</u>
Revenue	602 701	578 945
Net earnings	43 909	47 427
Total assets	724 945	621 029
Net earnings per share basic and diluted	1,35	1,44
Dividends per share	0,36	0,36

Financial position and dividends

Cash and investments, net of bank overdrafts, decreased by (\$29,800,000) during the six-month period ended July 31, 2025. This decrease is mainly attributable to the expansion and optimization work at RONA's distribution center, which was entirely funded from the Company's available cash and investments. Financial investments consist of treasuries bearing interest, common and preferred shares, which at the close of the six-month period ended July 31, 2025, had a market value of \$175,524,000 (including cash, net of the bank overdraft).

As at July 31, 2025, working capital showed a deficit of (\$1,139,000) a decrease of \$11,522,000 in the deficit compared to the year ended January 31, 2025. Despite the working capital deficit, the Company has access to an unused credit facility as at July 31, 2025, and holds interest-bearing cash equivalents in its investment portfolio. Management considers these resources sufficient to meet short-term liquidity needs and financial obligations. The Company's shareholders' equity decreased from \$529,507,000 as at January 31, 2025, to \$521,983,000 as at July 31, 2025. As at July 31, 2025, the book value per share stood at \$16.34 compared to \$16.36 as at January 31, 2025.

Pursuant to the normal course issuer-bid put in place on April 15, 2024, and renewed on April 15, 2025, accordingly, 410,600 common shares were repurchased and cancelled by the Company. As a result of this change, the Company had, as at July 31, 2025, 31,951,700 common shares issued and outstanding.

During the six-month period ended July 31, 2025, no options were granted. The Company may still grant pursuant to the Stock Option Plan a total of 5,710,864 options, representing 17.87% of the issued and outstanding shares of the Company.

Quarterly results

(Unaudited and \$ in thousands, except for per share amounts)

	April 30, 2025	April 30, 2024	July 31, 2025	July 31, 2024
	\$	\$	\$	\$
Revenue	150 124	137 144	179 251	169 394
Net earnings	(12 933)	1 461	17 037	19 464
Net basic earnings per share	(0,40)	0,04	0,53	0,60
	October 31, 2024	October 31, 2023	January 31, 2025	January 31, 2024
	\$	\$	\$	\$
Revenue	143 781	140 078	152 382	134 690
Net earnings	8 494	(8 449)	14 490	14 496
Net basic earnings per share	0,26	(0,25)	0,45	0,44

For the three-month period ended July 31, 2025, the Company's revenues increased by \$9,857,000 to \$179,251,000 compared to \$169,394,000 recorded for the corresponding period of 2024, an increase of 5.8%. This increase is primarily attributable to the growth in commercial revenue from the Tanguay division, whose revenue rose by \$11,188,000 or 6.7%. Comparable store sales also increased by 6.7% during the period. In contrast, investment property revenue from the real estate division declined by (\$1,331,000) compared to the corresponding period of 2024, representing a decrease of 97.3%. Net earnings for the three-month period ended July 31, 2025, which amounted to \$17,037,000 compared to the net earnings of \$19,464,000 recorded for the corresponding period of 2024. Basic net earnings per share amounted to \$0.53 compared to \$0.60 recorded for the corresponding period of 2024.

The net earnings recorded consisted of a net loss of (\$4,743,000) from the real estate division and net earnings of \$21,780,000 from the Tanguay division, compared to a net loss of (\$466,000) and net earnings of \$19,930,000, respectively, for the corresponding period of 2024. The variances observed resulted in a change of (\$4,277,000) for the real estate division and \$1,850,000 for the Tanguay division.

The variation in the net loss of the real estate division is primarily attributable to the ongoing expansion and optimization work, which is temporarily increasing operating expenses. These projects are expected to be completed during the year, which should allow for a gradual return to improved financial performance for the division.

The variation in net earnings of Tanguay division is mainly attributable to the increase in the after-tax unrealized gain on investments, which amounted to \$12,052,000 compared to \$5,121,000 for the corresponding period, a variation of \$6,931,000. In addition, operating performance improved

compared to the prior period as a result of the synergies generated by the operational and commercial reorganization implemented in May 2023, the completion of the network revitalization program, as well as sales growth during the period. These favourable variations did not translate into a significant increase in net earnings, as net earnings were partly tempered by the recognition of an after-tax gain of \$5,459,000 in the corresponding period of 2024.

During the period ended July 31, 2024, the Company disposed of fixed assets in the amount of \$6,948,000, resulting in an after-tax gain of \$5,459,000, or \$0.17 per basic share. This amount includes an after-tax gain of \$2,097,000, or \$0.07 per basic share, received as an additional settlement obtained by winning the case relating to the expropriation of the former Kirkland store by the Réseau express métropolitain (REM) in 2019. Finally, this amount also includes the sale of its Trois-Rivières store for an amount of \$4,500,000, resulting in an after-tax gain of \$3,362,000, or \$0.10 per basic share.

For the six-month period ended July 31, 2025, as well as the corresponding period of 2024, the share repurchase program had no impact on basic net earnings per share.

The variation in adjusted net earnings for non-recurring elements would be \$3,032,000 or \$0.10 per basic share for the three-month period ended July 31, 2025, when compared to the three-month period of 2024 period, is explained as follows:

(Unaudited and \$ in thousands)

	<u>July 31, 2025</u>	<u>July 31, 2024</u>
Net earnings	17 037	19 464
Gain on disposal of land (after-tax)	-	<u>(5 459)</u>
Adjusted net earnings	<u>17 037</u>	<u>14 005</u>
Minus: Adjusted net earnings for the previous year	<u>14 005</u>	
Variation	<u><u>3 032</u></u>	

Operations

BMTC Group Inc.

Tanguay division

During the year ended January 31, 2025, the Company completed its revitalization program across its entire network for a total amount of \$18,692,000, which was \$1,308,000 less than the anticipated \$20,000,000. The revitalization program involved converting its former Brault & Martineau and EconoMax stores into Tanguay stores in order to provide a better product and service offering and a unique customer experience in its market. This program resulted in a significant modernization of the store network, the introduction of a broader and more targeted product offering, and a more attractive in-store presentation that better meets customer expectations. The Company is now focusing its efforts on growing its market share, stabilizing

operations across its network, and maximizing the synergies generated by the operational and commercial reorganization implemented in May 2023.

During the period ended July 31, 2025, the Company initiated an expansion project at its Québec distribution center, which will increase the available square footage while enhancing operational efficiency and optimizing logistics processes. The costs associated with this expansion are estimated at \$7,500,000.

Real estate division

As part of its long-term growth strategy and commitment to sustainable value creation, the Company undertook a strategic diversification into the real estate sector during the past year. This initiative is intended to optimize the value of its real estate portfolio while creating recurring, complementary revenue streams alongside its core retail operations. The strategy includes the development of investment properties, strategic site repurposing, and the selective acquisition of assets with strong long-term value potential.

On April 15th, 2024, the Company finalized the purchase of the RONA distribution center bearing the civic address 2055, boulevard des Entreprises in the city of Terrebonne. The transaction was in the amount of \$96,000,000 before taxes which includes a lease-back agreement with RONA. The transaction was paid in full in cash from investments held by the Company. The Company intends to continue on a long-term basis to collect lease revenues from this property. The Company is currently pursuing extension and optimization work at this property, aimed at improving its operational efficiency and, consequently, creating greater rental value. During the year ending January 31, 2025, the Company made commitments totalling \$28,810,000 regarding the extension. As at the six-month period ended July 31, 2025, the entire amount had been committed, with \$5,359,000 remaining outstanding as at July 31, 2025. The Company also incurred costs of \$20,125,000 for the optimization of this center, of which \$6,012,000 remains outstanding at the end of the period. Consequently, a decrease in the financial assets used to finance this project is expected during the coming quarters. The Company estimates that the project will be completed by the fall of 2025 and will be available for lease at that time.

At the end of April 2024, the Company finalized the purchase of land in Lévis located in the Quebec region, for an amount of \$20,223,000. As of January 31, 2025, this land was transferred to the Company's real estate division, in accordance with the Company's intention to hold it for real estate development purposes or as long-term investment. "Management is still in the process of assessing the optimal use of this land.

The Company entered into a partnership agreement with Urbania, who will be responsible for the development and construction of its property at 500 boulevard Le Corbusier in Laval into several residential rental towers. The Company intends to finance this real estate project at 75% with a long-term mortgage. The estimated value of the entire project is approximately \$600,000,000. The Company created a new subsidiary, Le Corbusier-Concorde S.E.C. for this real estate project on January 31, 2022. This real estate project was supposed to begin in the summer of 2025, but the Company is still waiting for the approval of all permits by the City of Laval. In fact, the Company is facing delays beyond its control, resulting in additional delays related to administrative procedures governed by the City of Laval. This situation is preventing the start of construction work, initially planned for June 2025, despite the Company's sustained and continued efforts to move the project forward. At this date, the new expected start date is March 2026. Once

construction begins, the project should span over a period of 8 to 10 years with the construction of 4 rental residential towers for a total of approximately 1,200 doors.

The Company intends to proceed with the real estate development of several rental residential towers on its property located at 125 boul. Desjardins Est in Sainte-Thérèse. This real estate project is currently in the exploratory phase and the Company has identified a potential developer for the project. We are currently evaluating the initial budget estimates and financial models to complete the project's profitability analysis. At the same time, the Company has initiated preliminary steps with the City of Ste-Thérèse, with a view to proactive planning aimed at optimizing completion times. If the project proves profitable, we estimate that we will be able to obtain the necessary permits in the spring of 2026 and begin construction in the fall of 2026. Following the profitability analysis and the conclusion of an agreement with a potential developer, the Company should be able to announce the details of this real estate project during the coming quarters.

These investments are part of the Company's strategy to increase the value of its real estate assets while generating new sources of recurring revenue.

Management discussion and outlook for the Future of the Company

In a constantly evolving retail environment, forecasting consumer behaviour is an increasing challenge. Preferences shift rapidly, economic conditions influence both purchasing power and willingness to spend, and consumption habits are increasingly migrating toward digital channels.

Despite these uncertainties, management believes that the Company succeeds in setting itself apart through a set of complementary strengths. Its well-established brand image, widely recognized customer service quality, and its network of stores and distribution across Québec ensure strong local presence. In addition, its continuously improving digital platform enables it to respond effectively to the evolving expectations of consumers. This combination of factors allows the Company to maintain a solid market position and stable performance, even in a complex and ever-changing commercial environment.

The diversification into the real estate sector, although outside the Company's core operations, presents natural synergies with its retail network, particularly in asset management and the generation of stable cash flows. Management believes that this diversification will enhance the Company's financial resilience, create new growth levers, and reduce its reliance on the retail sector.

The results for the six-month period ended July 31, 2025, demonstrate the positive impact of the operational and commercial reorganization implemented in May 2023. Combined with the Company's solid financial position and the diversification initiated in the real estate sector, management remains confident in the Company's ability to sustain its growth objectives, namely increasing its market share in Québec and enhancing profitability, even in a more challenging market environment.

Caution regarding forward-looking statements

This press release contains certain forward-looking statements with respect to the Company. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", as well as the opposites of these terms and similar terminology, including references to assumptions.

Forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, which the Company has identified in the 2024 Annual Information Form under "Narrative Description of the Business - Risk Factors", and other risks detailed from time to time in the Company's continuous disclosure documents.

The reader is cautioned that the factors we refer above are not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors carefully and not to put undue reliance on forward-looking statements.

The Company made a number of assumptions in making forward-looking statements in this press release. The Company considers the assumptions on which these forward-looking statements are based to be reasonable.

These statements reflect current expectations regarding future events and operating performance and speak only as of the date of release of this press release and represent the Company's expectations as of that date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Non International Financial Reporting Standards (IFRS) financial measures

The Company discloses adjusted net earnings, which includes or excludes certain amounts that are not considered representative of the performance measures and financial recurrence of the Company. Management believes that this measure is useful in understanding and analyzing the operational performance of the Company and that it can provide additional information.

Adjusted net earnings as well as same store revenues are not an earnings measure recognized by IFRS and do not have a standardized meanings prescribed by IFRS. Therefore, adjusted net earnings and same store revenues as discussed in this press release may not be compared to similar measures presented by other issuers. These measures of performance should not be considered as alternatives to indicators of performance calculated according to IFRS, but rather as a source of additional information.

The Company discloses in this press release under the section "Results" a reconciliation between net earnings and adjusted net earnings.

BMTC Group Inc. (hereinafter "BMTC") is a company governed by the Business Corporations Act (Quebec). Its registered office and principal place of business is located at 8500 Place Marien, Montréal East, Quebec, H1B 5W8. Its common shares are listed on the Toronto Stock Exchange. The BMTC Group Inc. is formed of the Tanguay division and its subsidiaries Le Corbusier-

Concorde S.E.C., Commandité Le Corbusier-Concorde Inc. and 9519-2340 Québec Inc. The Company manages and operates a retail network of furniture, household appliances and electronic products, in Quebec, while also overseeing the management of its real estate division.

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