

GROUPE DYNAMITE DELIVERS UNPRECEDENTED Q3 RESULTS ON EXCEPTIONAL 31.6% COMPARABLE STORE SALES GROWTH(1) AND INCREASES FULL-YEAR GUIDANCE

- **31.6%** comparable store sales in Q3 2025, an acceleration from an exceptional 28.6% in Q2 2025
- Gross margin⁽¹⁾ reached **66.1%**, the highest in over 3 years
- Our agile, luxury-inspired operating model delivered a **record** operating income of \$120.1 million and **record** adjusted EBITDA margin⁽¹⁾ of **40.2%**, which expanded **650** basis points year over year
- Fiscal 2025 guidance raised on comparable store sales growth (**25.5% to 27.5%**) and adjusted EBITDA margin (**35.0% to 37.0%**)
- U.S. distribution center continues to ramp up, now fulfilling **both** store and e-commerce channels
- One-time **\$2.30** per share special dividend announcement, consistent with our commitment to enhance long-term shareholder value

MONTRÉAL, Dec. 9, 2025 /CNW/ - Groupe Dynamite Inc. ("Groupe Dynamite" or the "Company") (TSX: GRGD) today reported its financial results for the fiscal year 2025's third quarter ended November 1, 2025.

"I'm incredibly proud of our teams and their relentless pursuit of excellence resulting in another outstanding quarter with adjusted EBITDA margin reaching a record 40.2%, up 650 basis points year over a year. Comparable store sales increased 31.6%, an acceleration from Q2's exceptional 28.6%. With most of our tariff volatility behind us we are pleased to report best-in-class gross margin of 66.1%, our highest level in more than three years. While these results continue to exceed expectations, the initiatives driving brand heat are incredibly intentional. Building on this momentum, we are raising our fiscal 2025 guidance on both comparable sales and adjusted EBITDA margin," said Andrew Lutfy, Chief Executive Officer and Chair of the Board.

"Our teams once again demonstrated the strength of our values-led culture. What we delivered this quarter across product, stores, and digital reflects the intention, discipline, and agility that continue to set us apart. We're well into our journey to elevate and premiumize both brands, and the customer response remains strong. Operationally, our real estate strategy continues to be a core pillar, with 17 gross openings year-to-date positioning us for sustained, high-quality traffic. On digital, we're encouraged by the 40 basis points increase in e-commerce penetration in Q3 2025, as we enhance our platforms to support richer storytelling and more seamless experiences. With a solid foundation, real momentum, and teams who move fast and stay aligned, we enter Q4 confident in our ability to raise performance, strengthen brand experiences, and deepen our community connections," added Stacie Beaver, President and Chief Operating Officer.

"Our profitability and cash flow have exceeded expectations, underscoring the strength of our luxury-inspired operating model and our disciplined execution which mitigates fashion risk," said Jean-Philippe D. Lachance, Chief Financial Officer of Groupe Dynamite. "At this point, we view a \$2.30 per share one-time special dividend as an effective way to return capital to shareholders, consistent

with our commitment to enhancing long-term shareholder value. Following this distribution, pro forma leverage will be approximately 1.05x, with total pro forma available liquidity of roughly \$316.0 million from cash and credit facilities, leaving us in an excellent financial position to support future growth."

Fiscal 2025 Third Quarter Highlights

- Revenue increased by 40.3% to \$363.0 million in Q3 2025, compared to \$258.8 million in Q3 2024.
- Comparable store sales growth of 31.6% (28.6% on a constant currency basis⁽¹⁾) in Q3 2025, over and above comparable store sales growth of 10.1% in Q3 2024.
- Retail sales per square foot⁽¹⁾ increased by 24.7% compared to Q3 2024, reaching \$889 in Q3 2025.
- SG&A increased to \$95.8 million in Q3 2025, compared to \$80.0 million in Q3 2024, and adjusted SG&A as a percentage of sales⁽¹⁾ decreased by 340 basis points to 25.9% from 29.3% over the same period in Q3 2024.
- Operating income increased by 90.3% to \$120.1 million in Q3 2025, compared to \$63.1 million in Q3 2024.
- Adjusted EBITDA⁽¹⁾ increased by 67.5% to \$146.1 million in Q3 2025, representing an adjusted EBITDA margin of 40.2%, compared to 33.7% for the same period in Q3 2024.
- Diluted net earnings per share increased to \$0.71 in Q3 2025, compared to \$0.38 in Q3 2024 and adjusted diluted net earnings per share⁽¹⁾ increased by 75.6% to \$0.72 in Q3 2025, compared to \$0.41 in Q3 2024.
- Real estate activity for Q3 2025 includes:
 - Opening of 8 gross new stores in the United States under the Garage banner
 - No store closures
 - Renovation or relocation of 4 stores: 1 in the United States under the Garage banner and 3 in Canada under both banners.

Ratios and Recent Developments

- Inventory turnover⁽¹⁾ improved to 6.88x in Q3 2025, compared to 6.09x in Q3 2024.
- Net leverage ratio⁽¹⁾ was 0.45x in Q3 2025, down from 1.41x in Q3 2024.
- Return on assets ("ROA")⁽¹⁾ improved to 27.2% in Q3 2025, compared to 23.8% in Q3 2024.
- Return on capital employed ("ROCE")⁽¹⁾ reached 50.5% in Q3 2025, compared to 43.3% in Q3 2024.
- During the quarter, the Company repurchased 123,800 shares at an average price of \$63.11 for a total of approximately \$7.8 million.
- Following the end of the quarter, on December 8, 2025, the Board of Directors declared a one-time special cash dividend of \$2.30 per share on its subordinate voting shares and multiple voting shares.

Notes:

- (1) Refer to "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" section of this press release for further details concerning these measures including definitions and reconciliations of each non-IFRS financial measure to the relevant reported IFRS financial measure. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB) ("IFRS Accounting Standards") which are used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities.
- (2) Pro forma leverage is calculated as total net debt divided by trailing 12-month adjusted EBITDA, adjusted to reflect the one-time special dividend of \$2.30 per share as if it had been paid on November 1, 2025, the end of Q3 2025.
- (3) All references to "Q2 2025" are to the Company's 13-week period ended August 2, 2025, to "Q3 2025" are to the Company's 13-week period ended November 1, 2025; to "Q3 2024" are to the Company's 13-week period ended November 2, 2024; to "Fiscal 2025" are to the Company's fiscal year ending January 31, 2026; to "Fiscal 2024" are to the Company's fiscal year ended February 1, 2025.

Outlook

The table below outlines the Company's revised financial annual guidance ranges for Fiscal 2025 replacing our previously disclosed guidance:

	Revised Fiscal 2025 Guidance	Prior Fiscal 2025 Guidance
Real estate activity	18 to 20 gross new store openings 8 to 9 net new store openings	18 to 20 gross new store openings 8 to 9 net new store openings
Comparable store sales growth	↑ 25.5% to 27.5%	17.0% to 19.0%
Adjusted EBITDA margin	↑ 35.0% to 37.0%	32.0% to 33.5%
CAPEX	↓ \$85.0 to \$95.0 million	\$95.0 to \$105.0 million

Our achievement of these targets is subject to several risks and uncertainties, including the following:⁽¹⁾

- Adverse effects from future policy or legislative changes, tariffs (in addition to those currently in place) that may be imposed by the United States, or retaliatory tariffs from other countries and the United States.
- Failing to successfully locate our stores in suitable locations and any impairment of a store location, including any decrease in customer traffic.
- Failing to negotiate lease agreements for the store pipeline for Fiscal 2025, along with the risk of delays in construction activities beyond our control, and substantial increases in occupancy costs.
- Failing to complete the renovations and relocations scheduled for Fiscal 2025, which is expected to be between approximately 10 to 15, including 3 DYN 3.0 store concepts in Canada.
- Headwinds of \$4 to \$5 million in incremental public company costs, or a 40 basis points impact on adjusted EBITDA margin, which is included in the outlook table above.
- Achieving guidance numbers of comparable store sales or retail sales per square foot.
- Disruption of our strategic relationships with suppliers, impairing open-to-buy visibility.
- Failing to optimize merchandise, anticipate and respond to constantly changing consumer demands and fashion trends.
- Failing to protect and enhance our brands.
- Failing to attract new customers, or retain existing customers, or to maintain or increase sales to those customers.
- Failing to actively manage product margins, including the implementation of effective pricing strategies.
- Obstacles to the ongoing implementation of in-store productivity initiatives and the achievement of cost savings intended to improve operating expenses.
- Any material disruption in our information technology systems and e-commerce business.
- The occurrence of unusually adverse weather, particularly during peak seasons.
- Adverse changes in the general economic conditions and consumer spending in Canada, the United States and other parts of the world.

Note:

(1) The guidance ranges included in this section are forward-looking statements within the meaning of applicable securities laws, are based on assumptions that we believe to be reasonable, are subject to several risks and uncertainties, and should be read in conjunction with the "Forward-Looking Statements" section of this press release, which outlines such assumptions and describes certain of such risks.

Recent events

On December 8, 2025, the Board of Directors declared a one-time special cash dividend to shareholders of \$2.30 per share on its subordinate voting shares and multiple voting shares. This dividend is payable on December 29, 2025 to shareholders of record at the close of business on December 19, 2025. This dividend is designated as an eligible dividend for the purpose of the *Income Tax Act* (Canada) and any similar provincial legislation.

Third Quarter Fiscal 2025 Financial Results

Revenue

Total revenue for Q3 2025 increased by \$104.2 million or 40.3% compared to Q3 2024. This growth was primarily due to a 31.6% increase in comparable store sales and contributions from new stores. Online revenue for Q3 2025 was \$63.2 million, representing an increase of \$19.1 million or

43.3% compared to Q3 2024.

Cost of sales and gross profit

Gross profit for Q3 2025 increased by \$77.1 million or 47.3% compared to Q3 2024, with gross margin increasing by 310 basis points to 66.1%. This increase is attributable to the 40.3% revenue growth compared to the relatively lower increase in cost of sales of 28.3% which is due to controlled merchandise cost increases, lower outbound freight costs and lower markdowns.

SG&A and Adjusted SG&A as a percentage of sales

SG&A for Q3 2025 increased by \$15.8 million or 19.8% compared to Q3 2024. This increase was primarily driven by the Company's growing scale and activities, leading to an \$11.7 million increase in wages, salaries, and employee benefits. Additionally, during Fiscal 2025, the Company strategically increased its marketing investment by launching more initiatives aimed at driving brand awareness, resulting in a \$3.3 million increase in selling and marketing expenses compared to Q3 2024. Administrative costs increased by \$0.7 million due to higher operating expenses to support growth projects and new public company requirements, more than offsetting the \$3.2 million in IPO-related professional fees incurred last year. As a percentage of sales, SG&A decreased by 450 basis points from 30.9% in Q3 2024 to 26.4% in Q3 2025.

Operating income and adjusted EBITDA

Operating income for Q3 2025 increased by \$57.0 million or 90.3% to reach \$120.1 million in Q3 2025 compared to \$63.1 million in Q3 2024. Similarly, adjusted EBITDA for Q3 2025 increased by \$58.9 million or 67.5% to reach \$146.1 million compared to \$87.2 million in Q3 2024. The adjusted EBITDA margin improved to 40.2% compared to 33.7% in Q3 2024. This performance results from the combination of both a 310 basis points improvement in gross margin and a reduction of 340 basis points in adjusted SG&A as a percentage of sales, which decreased to 25.9% in Q3 2025 from 29.3% in Q3 2024.

Net earnings and adjusted net earnings

Net earnings for Q3 2025 increased by \$41.1 million or 101.7% compared to Q3 2024. This growth was mainly driven by higher revenue, which led to increased gross profit, partially offset by higher SG&A and increased depreciation and amortization. Adjusted net earnings⁽¹⁾ for Q3 2025 increased by \$39.3 million or 89.9% compared to Q3 2024.

Working capital

For Q3 2025, we have maintained a strong inventory turnover ratio of 6.88x, compared to 6.09x for Q3 2024, with current assets of \$382.4 million (including \$253.8 million in cash) and current liabilities of \$223.3 million. Inventory continues to be minimized through agile product development and strategic sourcing, driven by our high open-to-buy ratio.

Free cash flow

The Company reported robust free cash flow⁽¹⁾, achieving \$119.5 million in Q3 2025, up from \$42.2 million in Q3 2024, reflecting stronger net earnings partly offset by a \$9.1 million increase in CAPEX.

Net leverage ratio

The Company's net leverage ratio decreased to 0.45x compared to 1.41x last year. This improvement is due to the increase in adjusted EBITDA and the resulting increase in cash balance, along with the repayment of all of the outstanding borrowings under the credit facilities. These factors have more than offset the increase in lease liabilities and allowed the Company to reduce

leverage significantly. At the end of Q3 2025, the Company has over \$253.8 million in cash and \$312.0 million available under credit facilities, providing flexibility to drive growth, invest in strategic initiatives, manage market volatility and return excess cash to shareholders.

Return metrics

ROA of 27.2% for Q3 2025 has increased from the ROA of 23.8% for Q3 2024. This improvement indicates a significant boost in the Company's ability to leverage its assets more effectively than in previous periods.

For Q3 2025, our ROCE reached 50.5%, compared to 43.3% in Q3 2024, highlighting the effectiveness of our recent strategies and investments. The slower growth of average capital employed compared to adjusted operating income reflects strong capital utilization, enabling the generation of operating income.

Note:

- (1) Refer to "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" section of this press release for further details concerning these measures including definitions and reconciliations of each non-IFRS financial measure to the relevant reported IFRS financial measure. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, which are used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities.

Selected Financial Information

	13-week periods ended		39-week periods ended	
	November 1, 2025	November 2, 2024	November 1, 2025	November 2, 2024
<i>In thousands of Canadian dollars, except per share data and retail sales per square foot</i>				
	\$	\$	\$	\$
Revenue	362,970	258,772	916,051	686,760
Cost of sales	122,926	95,845	327,815	245,477
Gross profit	240,044	162,927	588,236	441,283
Operating expenses				
Selling, general and administrative expenses	95,818	80,030	258,178	226,134
Depreciation and amortization	24,294	20,027	68,230	54,509
Foreign exchange (gain) loss	(182)	(182)	136	(844)
Total operating expenses	119,930	99,875	326,544	279,799
Operating income	120,114	63,052	261,692	161,484
Net financing costs	5,604	5,982	19,647	17,716
Earnings before income taxes	114,510	57,070	242,045	143,768
Income taxes	33,005	16,630	69,319	39,034
Net earnings	81,505	40,440	172,726	104,734
Net earnings per share⁽³⁾				
Basic	\$0.75	\$0.38	\$1.60	\$0.97
Diluted	\$0.71	\$0.38	\$1.51	\$0.97
Additional financial measures				
Retail revenue	299,740	214,682	768,824	576,572
Comparable store sales growth ⁽¹⁾	31.6 %	10.1 %	25.4 %	13.4 %
Retail sales per square foot ⁽¹⁾	\$889	\$713	\$889	\$713
Adjusted EBITDA ⁽¹⁾	146,085	87,198	333,458	223,802
Adjusted net earnings ⁽¹⁾	83,017	43,706	176,168	111,200
Adjusted net earnings per share ^{(1) (3)}				
Basic	\$0.77	\$0.41	\$1.63	\$1.03
Diluted	\$0.72	\$0.41	\$1.54	\$1.03
Gross margin ⁽¹⁾	66.1 %	63.0 %	64.2 %	64.3 %
SG&A as a percentage of sales ⁽¹⁾	26.4 %	30.9 %	28.2 %	32.9 %
Adjusted SG&A as a percentage of sales ⁽¹⁾	25.9 %	29.3 %	27.8 %	31.8 %
Adjusted EBITDA margin ⁽¹⁾	40.2 %	33.7 %	36.4 %	32.6 %
Ratios and other metrics:				
ROA ⁽¹⁾	27.2 %	23.8 %	27.2 %	23.8 %
ROCE ⁽¹⁾	50.5 %	43.3 %	50.5 %	43.3 %
Net leverage ratio ⁽¹⁾	0.45	1.41	0.45	1.41
Free cash flow ⁽¹⁾	119,494	42,193	233,736	108,398
Inventory turnover ⁽¹⁾	6.88	6.09	6.88	6.09
CAPEX ⁽¹⁾	26,908	17,826	59,130	50,681
Number of stores ⁽²⁾	307	299	307	299

<i>In thousands of Canadian dollars</i>	As at	
	Nov 1, 2025	Feb 1, 2025
	\$	\$
Cash	253,823	74,195
Inventories	66,610	44,952
Total current assets	382,378	161,568
Property and equipment	155,814	107,465
Right-of-use assets	380,205	330,105
Total assets	936,818	618,637
Long-term portion of lease liabilities	404,111	340,102
Total non-current liabilities	406,984	340,102
Total liabilities	630,245	477,323
Total shareholders' equity	306,573	141,314
Total debt ⁽¹⁾	437,629	372,581
Net debt ⁽¹⁾	183,806	298,386

Notes:

- (1) Refer to "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" section of this Press Release for further details concerning these measures including definitions and reconciliations of each non-IFRS financial measure to the relevant reported IFRS financial measure. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, which are used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities
- (2) Number of stores is as at end of period.
- (3) Net earnings per share and Adjusted net earnings per share are calculated, after giving the effect, on a retrospective basis, to the Share Consolidation that occurred in connection with the Pre-Closing Reorganization on November 20, 2024.

Third quarter results conference call

Groupe Dynamite will hold a conference call to discuss its Q3 2025 results today, December 9, 2025, at 10:30 a.m. (ET), followed by a question-and-answer period for financial analysts. Other interested parties may participate in the call on a listen-only basis via live audio webcast, accessible through the "Events & Presentations" tab on Groupe Dynamite's website at <https://investors.groupedynamite.com/>.

About Groupe Dynamite Inc.

Groupe Dynamite Inc. (TSX: GRGD) is a growth-oriented company striving for excellence in the fashion industry. Operating retail stores and digital experiences under two complementary and spirited banners—GARAGE and DYNAMITE—we offer a wide range of women's fashion apparel, catering to the needs of Generation Z and Millennials. With leading key operating metrics and a commitment to innovation and disciplined execution, we are proud to continue our ambitious growth plans. Guided by our mission, "Empowering YOU to be YOU, one outfit at a time," we are a values-led, inclusive organization committed to inspiring confidence and self-expression. Proudly rooted in the chic and vibrant city of Montréal, our culture, values and distinct brands position us to shape the future of fashion while attracting and inspiring the next generation of leaders and creators. Our ownership-mentality and entrepreneurial mindset is reflected in our Shared Success Program, through which all our 6,500 employees have ownership exposure. This alignment of interests and values fosters collaboration, fuels innovation, and creates meaningful long-term value for our team and stakeholders alike.

Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics

This press release makes reference to certain non-IFRS measures, including non-IFRS financial measures, non-IFRS ratios, supplementary financial measures and certain retail industry metrics. These measures are not recognized measures under IFRS Accounting Standards and do not have a standardized meaning prescribed by IFRS Accounting Standards 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 Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards. In this press release, we use non-IFRS financial measures including "adjusted EBITDA", "adjusted EBITDA (after rent equivalent expense)", "free cash flow", "adjusted net earnings" and "adjusted net earnings per share" and non-IFRS ratios including "EBITDA margin", "adjusted EBITDA margin", "adjusted EBITDA (after rent equivalent expense) margin", "Adjusted SG&A as a percentage of sales", "comparable store sales on a constant currency basis", "return on assets", "return on capital employed" and "net leverage ratio". We also use supplementary financial measures including "comparable store sales", "inventory turnover", "retail sales per square foot", "gross margin", "SG&A as a percentage of sales" and "CAPEX" and other operating metrics commonly used in the retail industry.

Additional details for these non-IFRS and other financial measures, which are incorporated by reference herein, can be found in our Management's Discussion & Analysis for Q3 2025 under the section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics", which is posted on our website at <https://groupedynamite.com/>, and filed on SEDAR+ at www.sedarplus.ca. Reconciliations for each non-IFRS financial measure to the most directly comparable IFRS measures are provided below.

These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Non-IFRS Financial Measures and Non-IFRS Ratios

Earnings before interests, taxes, depreciation, amortization ("EBITDA"), adjusted EBITDA and adjusted EBITDA (after rent equivalent expense)

EBITDA margin, adjusted EBITDA margin and adjusted EBITDA (after rent equivalent expense) margin

<i>In thousands of Canadian dollars</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
	\$	\$	\$	\$
Operating income	120,114	63,052	261,692	161,484
Depreciation and amortization	24,294	20,027	68,230	54,509
EBITDA	144,408	83,079	329,922	215,993
EBITDA margin	39.8 %	32.1 %	36.0 %	31.5 %

<i>In thousands of Canadian dollars</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
EBITDA	\$144,408	\$83,079	\$329,922	\$215,993
Adjustments to EBITDA				
Stock-based compensation expense ⁽¹⁾	1,677	900	3,806	2,740
Gain on lease modification	-	-	(813)	-
Professional fees related to the IPO	-	3,219	543	5,069
Total adjustments	1,677	4,119	3,536	7,809
Adjusted EBITDA	146,085	87,198	333,458	223,802
Adjusted EBITDA margin	40.2 %	33.7 %	36.4 %	32.6 %

(1) This excludes the expenses related to cash-settled deferred share units granted under the Shared Success Program, as well as those paid in lieu of bonus under the omnibus equity incentive plan.

<i>In thousands of Canadian dollars</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
	\$	\$	\$	\$
Adjusted EBITDA	146,085	87,198	333,458	223,802
Depreciation of right-of-use assets	(15,548)	(13,502)	(45,012)	(39,416)
Interest expense on lease liabilities	(7,169)	(6,052)	(20,667)	(17,323)
Adjusted EBITDA (After Rent Equivalent Expense)	123,368	67,644	267,779	167,063
Adjusted EBITDA (After Rent Equivalent Expense) margin	34.0 %	26.1 %	29.2 %	24.3 %

Adjusted SG&A as a percentage of sales

<i>In thousands of Canadian dollars</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
	\$	\$	\$	\$
SG&A	95,818	80,030	258,178	226,134
Adjustments to SG&A				
Stock-based compensation expense ⁽¹⁾	1,677	900	3,806	2,740
Gain on lease modification	-	-	(813)	-
Professional fees related to the IPO	-	3,219	543	5,069
Total adjustments	1,677	4,119	3,536	7,809
Adjusted SG&A	94,141	75,911	254,642	218,325
Adjusted SG&A as a percentage of sales	25.9 %	29.3 %	27.8 %	31.8 %

(1) This excludes the expenses related to cash-settled deferred share units granted under the Shared Success Program, as well as those paid in lieu of bonus under the omnibus equity incentive plan.

Adjusted net earnings

<i>In thousands of Canadian dollars, except per share data</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
	\$	\$	\$	\$
Net earnings	81,505	40,440	172,726	104,734
Adjustments to net earnings				
Stock-based compensation expense ⁽¹⁾	1,677	900	3,806	2,740
Gain on lease modification	-	-	(813)	-
Professional fees related to the IPO	-	3,219	543	5,069
Income tax (recovery) expense on taxable items above	(165)	(853)	(94)	(1,343)
Total adjustments	1,512	3,266	3,442	6,466
Adjusted net earnings	83,017	43,706	176,168	111,200
Adjusted net earnings per share				
Basic	\$0.77	\$0.41	\$1.63	\$1.03
Diluted	\$0.72	\$0.41	\$1.54	\$1.03

(1) This excludes the expenses related to cash-settled deferred share units granted under the Shared Success Program, as well as those paid in lieu of bonus under the omnibus equity incentive plan.

Comparable store sales

<i>In thousands of Canadian dollars</i>	13-week periods ended			39-week periods ended		
	Nov 1, 2025	Nov 2, 2024	Variance	Nov 1, 2025	Nov 2, 2024	Variance
Retail revenue	299,740	214,682	39.6 %	768,824	576,572	33.3 %
Comparable store sales on a constant currency basis			28.6 %			22.6 %
Foreign currency exchange impact			3.0 %			2.8 %
Comparable store sales			31.6 %			25.4 %
Non-comparable store sales and others			8.0 %			7.9 %

Return on assets or ROA

<i>In thousands of Canadian dollars</i>	52-week and 53-week periods ended	
	November 1, 2025	November 2, 2024
	\$	\$

Adjusted net earnings	212,721	140,777
Average total assets	780,801	591,475
Return on assets	27.2 %	23.8 %

Return on capital employed or ROCE

<i>In thousands of Canadian dollars</i>	52-week and 53-week periods ended	
	November 1, 2025	November 2, 2024
	\$	\$
Adjusted EBITDA	412,923	291,717
Depreciation and amortization	(90,480)	(72,939)
Adjusted EBITDA reduced by depreciation and amortization	322,443	218,778
Capital employed		
Average total Assets	780,801	591,475
- Average total current liabilities	(183,840)	(138,120)
+ Average short-term portion of long-term debt	9,882	19,797
+ Average short-term portion of lease liabilities	31,362	32,068
Average total capital employed	638,205	505,220
Return on capital employed	50.5 %	43.3 %

Free cash flow

<i>In thousands of Canadian dollars</i>	13-week periods ended		39-week periods ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
	\$	\$	\$	\$
Cash from operating activities	146,402	60,019	292,866	159,079
Additions to property and equipment	(24,688)	(15,424)	(51,862)	(44,079)
Additions to intangible assets	(2,220)	(2,402)	(7,268)	(6,602)
Free cash flow	119,494	42,193	233,736	108,398

Net leverage ratio

<i>In thousands of Canadian dollars</i>	52-week and 53-week periods ended	
	November 1, 2025	November 2, 2024
Net debt	\$	\$
Long-term debt including current portion	-	92,987
Lease liabilities including current portion	437,629	331,218
- Cash	(253,823)	(12,558)
Total net debt	183,806	411,647
Adjusted EBITDA	412,923	291,717
Net leverage ratio	0.45	1.41

Forward-Looking Statements

This press release contains forward-looking information within the meaning of applicable Canadian securities legislation. Forward-looking information in this press release may relate to our future financial outlook (including our revised guidance for Fiscal 2025) and anticipated events or results and may include (without limitation) statements relating to: our business, brand positioning, brand awareness and brand expansions; the expected operational impact of our U.S. distribution center; our ability to continue creating accessible fashion and delivering on-trend products; the planned expansion and optimization of our store footprint and the achievements that can be derived therefrom; dividend payments and our expectations regarding the reinvestment in our business, the return of excess cash to shareholders, our financial performance, financial position and use of liquidity; and our future growth rates and growth strategies. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances.

Forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Our assumptions underpinning forward-looking information include, but are not limited to, the following: expected short-, medium- and long-term discretionary spending and overall economic trends; successfully maintaining and enhancing our brands; marketing efforts, store renovations and store expansions will be successful and drive our revenue; maintaining our supplier relationships and a steady, cost-effective supply of inventories; successfully managing expenses and driving gross margin improvements; growing our e-commerce business and making headway in our international expansion efforts; successfully retaining key personnel including our Chief Executive Officer; the absence of material changes to taxes, duties, tariffs and interest rates; the absence of further material disruptions in the international trade; the economy generally; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied.

Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Risks and uncertainties are discussed in the "Risk Factors" section of the Company's annual information form for Fiscal 2024 (the "AIF") which is incorporated by reference into this document. A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The risks, uncertainties, opinions, estimates and assumptions referred to elsewhere in this press release should be considered carefully by readers. Accordingly, readers should not place undue reliance on forward-looking information. To the extent any forward-looking information in this press release constitutes future-oriented financial information or financial outlook, within the meaning of applicable Canadian securities legislation, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlook, as with forward-looking information generally, are based on current assumptions and subject to risks, uncertainties and other factors. Furthermore, the forward-looking information contained in this press release represents our expectations as of the date of this press release (or as of the date it is otherwise stated to be made) and is subject to change after such date. We disclaim any intention, obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities legislation. All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.

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