

GROUPE DYNAMITE REPORTS STRONG HOLIDAY PERFORMANCE AND UPDATES FISCAL 2025 GUIDANCE AHEAD OF THE ICR CONFERENCE

- Comparable store sales ⁽¹⁾ growth of **30.8%** in the first 9 weeks of Q4 fiscal 2025
- Full year 2025 guidance updated on comparable store sales growth (**26.5% to 27.0%**) and adjusted EBITDA margin ⁽¹⁾ (**36.0% to 37.0%**)
- **Significant online revenue growth, outpacing** brick-and-mortar revenue growth in Q4 to date
- UK e-commerce platform and UK brick-and-mortar launches planned for the latter part of Q1 2026
- Total year-end store count expected to be at **307, reflecting 20 openings and 9 net new stores**

MONTRÉAL, Jan. 12, 2026 /CNW/ - Groupe Dynamite Inc. ("Groupe Dynamite" or the "Company") (TSX: GRGD) today announced comparable store sales growth of **30.8%** for the first 9 weeks of the fourth quarter ("Q4") of the Company's fiscal year ending January 31, 2026 ("fiscal 2025"), ended on January 3, 2026. On a year-to-date basis, and with only four weeks remaining in fiscal 2025, comparable store sales growth stands at **26.6%**, also as at January 3, 2026.

On that basis, Groupe Dynamite is **updating** fiscal 2025 comparable store sales growth guidance to a range of **26.5% to 27.0%**. Furthermore, based on strong year-to-date performance and improved visibility for the remainder of the fiscal year, the Company is **raising by 100 bps** the lower end of its fiscal 2025 adjusted EBITDA margin guidance to **36.0%**, with the range now expected to be between **36.0%** and **37.0%**.

Turning to digital, during those same 9 weeks, online revenue growth significantly outpaced brick-and-mortar revenue growth, resulting in a higher online penetration rate versus the prior year. This performance underscores strong customer engagement across digital channels. As a reminder, the Company's comparable sales metric reflects the performance of the brick-and-mortar channel only.

With respect to real estate activity, the Company expects **20** gross store openings and **11** store closures, resulting in **9** net new store openings for fiscal 2025 and bringing total expected store count to **307** at year end. All store openings to date were under the Garage banner and located in the United States.

Lastly, the Company is revising its previously communicated fiscal 2025 capital expenditure guidance to a range of **\$80.0 million to \$90.0 million**, from \$85.0 million to \$95.0 million, mainly reflecting payments timing.

"Our values-led culture continues to drive disciplined execution, resulting in strong holiday performance. This momentum, supported by our selective real estate strategy and rising digital engagement, is driving meaningful margin expansion and reflects the strength of our luxury-inspired operating model. As we close out fiscal 2025, we're preparing to launch UK e-commerce in Q1 and look forward to opening our first UK stores also later in Q1," added Stacie Beaver, President and Chief Operating Officer.

The table below outlines the Company's revised financial annual guidance ranges for fiscal 2025,

replacing our previously disclosed guidance ⁽²⁾:

	Revised Fiscal 2025 Guidance	Prior Fiscal 2025 Guidance
Real estate activity	↑ 20 gross new store openings ↑ 9 net new store openings	18 to 20 gross new store openings 8 to 9 net new store openings
Comparable store sales growth	26.5% to 27.0%	25.5% to 27.5%
Adjusted EBITDA margin	↑ 36.0% to 37.0%	35.0% to 37.0%
CAPEX ⁽¹⁾	↓ \$80.0 to \$90.0 million	\$85.0 to \$95.0 million

Groupe Dynamite intends to release its full financial results for Q4 and fiscal 2025 on or around Wednesday, April 1, 2026, before markets open, followed by a conference call with management to discuss the results on the same day. All information regarding the earnings call will be provided at a later date. The Company also intends to provide financial and operational guidance for the 52-week period ending January 30, 2027, at the same time as the results for Q4 and fiscal 2025 results are announced.

All figures and information referred to herein with respect to Q4 and fiscal 2025 are preliminary and are subject to change as our financial results are finalized.

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. 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) which are used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities.
- (2) The guidance ranges included herein 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.

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 and supplementary financial measures. These measures are not recognized measures under IFRS and 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 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. In this press release, we use non-IFRS financial measures such as "adjusted EBITDA margin". We also use supplementary financial measures such as "comparable store sales" and "CAPEX". Additional details for these non-IFRS and other financial measures can be found in our Management's Discussion & Analysis for the 13-week and 39-week periods ended November 1, 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. 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.

Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is calculated as operating income plus depreciation and amortization. Adjusted EBITDA accounts for other one-time or non-cash items. We consider EBITDA to be a valuable non-IFRS measure in assessing the Company's operating performance. Adjusted EBITDA helps users of the financial statements identify underlying trends by providing a measure of operating performance

which excludes non-representative income or expenses, non-cash items, or variations in other items not related to day-to-day operations such as stock-based compensation expense, gains or losses on lease modifications and other professional fees in connection with the IPO. As of Q2 2025, we revised our definition of adjusted EBITDA to exclude gains or losses on lease modifications, and, where applicable, we restated prior-period figures to reflect this change. We believe that the presentation of EBITDA contributes to the comparability of our financial results as it is a measure commonly used by issuers operating in our industry. The adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue.

Comparable store sales

Comparable store sales represent sales of retail stores relative to sales for the same period in the prior fiscal year calculated using budgeted exchange rates. When expressed in constant currency, this metric is adjusted to remove the impact of foreign exchange fluctuations. It provides insight on the performance of our portfolio of retail stores, hence on the success of our real estate strategy. We believe that the presentation of the comparable store sales metric contributes to the comparability of our performance with that of issuers operating in our industry. Stores must be open for at least 12 months and must not have been subject to any significant change in square footage to be comparable. A significant change in square footage means an increase or decrease by 20% of the total square footage.

CAPEX

CAPEX represents the Company's capital investments, calculated as the total of additions to property and equipment combined with additions to intangible assets. This metric is important for readers of financial statements as it provides insights into a company's investment strategy and its commitment to growth.

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.

Forward-Looking Information

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 also include statements about the expected timing of the UK e-commerce platform launch and of the UK brick-and-mortar launch, the expected real estate activity of the Company for fiscal 2025 (including the planned openings, closures, renovations and relocations scheduled for fiscal 2025 of our store footprint and the achievements that can be derived therefrom), our growth plans and the creation of value for our stakeholders. 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 the forward-looking information in this press release 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 enhancements 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; 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 guidance table above; maintaining recent level of comparable store sales or retail sales per square foot; growing our e-commerce business and making headway in our international expansion efforts; successfully retaining key personnel including our chief executive officer; changes in or the absence of material changes to taxes, duties, tariffs and interest rates other than as currently contemplated; the absence of 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 Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Company's Management Discussion and Analysis for the 13-week and 39-week periods ended November 1, 2025 and in the "Risk Factors" section of the Company's annual information form for the fiscal year ended February 1, 2025. The achievement of our guidance for fiscal 2025 is also subject to several specific risks and uncertainties, including the following: 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; 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; and adverse changes in the general economic conditions and consumer spending in Canada, the United States and other parts of the world. 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 securities laws, 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 or 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.

SOURCE GROUPE DYNAMITE INC

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/January2026/12/c1673.html>

%SEDAR: 00106107E

For further information: Contacts: Questions from investors - Investor Relations: Alex Limosani, Manager, Investor Relations and Corporate Finance - investors@dynamite.ca; Questions from media - Media Relations: Youann Blouin, Head of Corporate Communications - media@dynamite.ca

CO: GROUPE DYNAMITE INC

CNW 06:30e 12-JAN-26