

PRESS RELEASE

Sportscene achieved solid growth in the first half of fiscal 2019 and continued to expand its portfolio of banners

Montreal, April 11, 2019 — SPORTSCENE GROUP INC. ("Sportscene" or "the Company"; SPS.A / TSX Venture Exchange) announces its results for the second quarter and first half of fiscal 2019. The Company continued to reap the benefits of the successful repositioning of its **La Cage - Brasserie sportive** banner and to expand its portfolio of banners and brands in various niches of the restaurant industry. The first six months of fiscal 2019 were very active in terms of new developments and investments in addition to generating solid growth.

Financial performance of the second quarter and first half of fiscal 2019

For the 13 weeks ended February 24, 2019, Sportscene's consolidated revenues amounted to \$29.6 million, up 15.9%, reflecting the increase in restaurants' total sales ⁽¹⁾. This increase was due chiefly to the growth in average same-restaurant sales ⁽²⁾ within the Cage network and the contribution of the Moishes restaurant acquired on December 10, 2018. Consolidated adjusted EBITDA ⁽³⁾ grew by 3.6% to \$2.5 million. Net income increased slightly to \$0.5 million or \$0.07 per share ⁽⁴⁾.

For the first six months, consolidated revenues totaled \$57.5 million. They posted a 13.3% increase, reflecting the increase in restaurants' total sales ⁽¹⁾. Consolidated adjusted EBITDA ⁽³⁾ totaled \$5.6 million, up 11.3%. Net income amounted to \$1.6 million or \$0.19 per share ⁽⁴⁾, up 24.9% over the first six months of the previous fiscal year.

During the first half of fiscal 2019, the Company invested \$9.1 million mainly in business combinations and capital expenditures, the benefits of which will materialize in the coming quarters.

« In the coming periods, La Cage's growth will be driven by our various initiatives aimed at enhancing the value offered to customers while achieving further operating cost efficiencies, and by the recent opening of a new corporate Cage. We will continue to focus on technology, staff training, additional distribution channels such as home delivery, customer loyalty, and the ongoing modernization of the La Cage network. In addition, Sportscene will benefit from the positive effect of Moishes' integration and the progressive contributions of our new banners », said Sportscene's President and Chief Executive Office, Jean Bédard.

Key development projects

The integration of Moishes, acquired in the second quarter, is progressing very well. In addition to the famous Montreal steakhouse, this transaction included the trademarks and distribution operations of Moishes products sold in Canadian supermarkets.

As planned, the first restaurant under the *À Domicile* banner opened in Laval on last January 31. Now in its breaking-in phase, this original concept of quality fast food dining also featuring friendly entertainment areas is quickly gaining favour with the 18 to 35-year-old consumer segment.

Meanwhile, the Company continues to optimize and expand its La Cage banner and keeps on upgrading its restaurant offering based on fresh and local products. In this regard, La Cage – Brasserie sportive recently obtained *Aliments du Québec* certification. In addition, a corporate Cage opened in early April in Gatineau. Designed to meet the needs and expectations of its customers and reward them for their loyalty, its very popular Club Cage program continued to meet with great success during the second quarter, today counting more than 140,000 participants.

Furthermore, Sportscene is expanding its retail sales activities, as some 15 new *Aliments du Québec* certified products should be rolled out to supermarkets under the La Cage brand in the summer of 2019. Note that besides La Cage products, several Moishes branded products are also available in supermarkets.

Profile

Sportscene Group Inc. is a pioneer and a leader in the ambiance restaurant niche in Quebec. Since 1984, it has been operating the restaurant chain **La Cage – Brasserie sportive** (« La Cage »), which differentiates itself by its sporting ambiance and food offering made from fresh, local products. Enjoying a strong brand image, the **La Cage** banner is present throughout the Province and comprises 43 outlets at the date hereof. Sportscene is diversifying its restaurant activities through its partnership with the breakfast restaurants **L'Avenue**, the operation of the **Moishes** steakhouse, the new concept **À Domicile**, the Asian cuisine restaurants **P.F. Chang's** and the development of its catering business at special events, thus becoming a significant player in Quebec's restaurant industry. Besides its restaurant operations, Sportscene is active in the sale of La Cage and Moishes branded products in grocery stores.

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The following items are not performance measures consistent with IFRS:

- (1) Total restaurant sales correspondent to the aggregate sales achieved by all restaurants operating under the Company's various banners, whether they are corporate units, joint ventures or franchises.*
- (2) Average same-restaurant sales isolate the impact of restaurant openings and closures to assess the actual trend in restaurant sales.*
- (3) In Sportscene's statement of comprehensive income, consolidated adjusted EBITDA corresponds to "Earnings before financial expenses, amortization, net income of joint ventures and income taxes", from which other (gains) losses are excluded, and to which the Company's share of earnings before financial expenses, amortization and income taxes of joint ventures is added.*

For further information regarding the results and financial position of Sportscene Group Inc., refer to the management report as well as the interim condensed consolidated financial statements and accompanying notes for the 13 and 26-week periods ended February 24, 2019, which are available on SEDAR.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Reconciliation of Non-IFRS Financial Measures

(in thousands of \$)	13 weeks ended		26 weeks ended	
	February 24, 2019	February 25, 2018	February 24, 2019	February 25, 2018
Restaurant revenues – La Cage	19,667	17,203	38,478	34,319
Restaurant revenues – Other banners	3,112	1,595	5,085	3,200
Sales generated by franchises and joint ventures	12,742	13,265	26,201	27,029
Total restaurant sales	35,521	32,063	69,764	64,548
Income before financial expenses, amortization, net income of joint ventures and income taxes	2,178	1,815	4,871	4,228
Other (gains) losses	(128)	171	(129)	98
Earnings before financial expenses, amortization and income taxes of joint ventures	401	380	816	669
Consolidated adjusted EBITDA	2,451	2,366	5,558	4,995

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars, except for earnings per share and number of outstanding shares)
(unaudited)

	13 weeks ended		26 weeks ended	
	February 24, 2019	February 25, 2018	February 24, 2019	February 25, 2018
	\$	\$	\$	\$
Revenues	29,551	25,493	57,538	50,783
Cost of sales	9,574	8,572	18,221	16,277
Selling and administrative expenses, excluding amortization	17,927	14,935	34,575	30,180
Other (gains) losses	(128)	171	(129)	98
Earnings before financial expenses, amortization, net income of joint ventures and income tax	2,178	1,815	4,871	4,228
Amortization	1,469	1,250	2,859	2,532
Financial expenses	265	210	485	417
Net income of joint ventures	(244)	(202)	(477)	(324)
Income before income tax expenses	688	557	2,004	1,603
Income tax expenses	143	101	432	344
Net income and comprehensive income	545	456	1,572	1,259
Net income and comprehensive income attributable to:				
The Company's shareholders	562	470	1,639	1,291
Non-controlling interests	(17)	(14)	(67)	(32)
Net income and comprehensive income	545	456	1,572	1,259
Earnings per share (in dollars):				
Basic	0.07	0.06	0.19	0.15
Diluted	0.07	0.06	0.19	0.15
Weighted average number of outstanding Class A shares (in thousands):				
Basic ⁽¹⁾	8,545	8,452	8,538	8,404
Diluted ⁽¹⁾	8,575	8,472	8,568	8,424

⁽¹⁾ The weighted average number of Class A shares (basic and dilutive) reflects the retrospective application of the two-for-one stock split effected on February 8, 2019.