

PRESS RELEASE

Sportscene Group reports its second quarter results for fiscal 2021

Montreal, April 15, 2021 — Sportscene Group Inc. ("Sportscene" or "the Company"; TSX-V: SPS.A) today announced its financial results for the second quarter ended February 28, 2021.

"The strength of our growing retail sales, the support of various government assistance programs, the increasing appeal of our off-site dining offering and the implementation of liquidity preservation measures, have allowed us to maintain our financial health and borrowing capacity," said Jean Bédard, President and Chief Executive Officer. "As we wait for this health crisis to be behind us, we are dedicated to growing our offsite dining and retail activities, and to continuously improve our business."

Financial performance for the second quarter ended February 28, 2021

Because of the COVID-19 pandemic which resulted in the slowdown of the restaurant, franchising and other segments, Sportscene's consolidated revenues decreased by 59.8% from the equivalent quarter of the previous fiscal year, to \$13.9 million. Revenues from restaurant activities decreased by 85.8%, to \$3.6 million, primarily from the complete closure of dining rooms during the majority of the quarter. Revenues from retail activities have grown by 68.5% to reach \$9.3 million. This growth is mainly due to the expansion of the distribution network with new grocery stores during the second half of 2020.

Consolidated adjusted EBITDA⁽¹⁾ for the second quarter stood at \$0.9 million, representing a reduction of 78.3%. Despite the decline in consolidated revenues, the effect on the consolidated adjusted EBITDA⁽¹⁾ was partially mitigated by the support of various government aid programs, growing revenues from our retail activities and by significant efforts dedicated to reduce expenses. Adjusted EBITDA from restaurant activities was down 88.2%, to \$0.4 million. Adjusted EBITDA from retail activities stood at \$1.0 million, up from a negligible amount, which helped mitigate the effect of the decline in the profitability of franchising and other activities.

Sportscene ended the second quarter of fiscal 2021 with a net loss of \$0.9 million or \$0.11 per share, compared to a net income of \$0.7 million or \$0.09 per share in the equivalent quarter of the previous fiscal year.

Financial performance for the first semester ended February 28, 2021

Sportscene's cumulative consolidated revenues decreased by 62.4% from the first semester of the previous fiscal year, to \$27.5 million. The COVID-19 pandemic and associated public health measures imposed resulted in an important slowdown of the restaurant, franchising and other segments. However, revenues from retail activities have grown by 49.6% because of the same reasons explained above.

The cumulative consolidated adjusted EBITDA⁽¹⁾ in the first semester was \$2.8 million, representing a reduction of 69.3%, and is explained by the same situation which resulted in a lower consolidated adjusted EBITDA⁽¹⁾ in the second quarter.

Sportscene ended the first half of fiscal 2021 with a net loss of \$1.4 million, or \$0.16 per share (basic and diluted), compared to a net income of \$2.4 million, or \$0.29 per basic share (\$0.28 diluted) in the equivalent period of the previous fiscal year.

Outlook

Recent evolution of the lockdown measures and their effect on the network of restaurants

During the 13-week period ended February 28, 2021, revenues from corporate and joint venture restaurants were limited almost exclusively to off-site dining activities due to the sanitary measures in place. Since most franchisees operate in "orange zones", they were able to benefit from on-site dining revenues during a limited number of weeks in the quarter. Despite the gradual reopening of dining rooms allowed in certain regions of Quebec since February 8, 2021, Sportscene's restaurant activities continue to be greatly disrupted and will continue to be for the next few quarters.

For several months, we have been preparing the reopening of our dining rooms to ensure that the customer experience is as pleasant and safe as possible in this new operational context. We have notably implemented the best sanitary measures and, in line with our local sourcing strategy, have worked to improve the range and quality of wines, cocktails and desserts offered. Some structural challenges await us, including the availability of employees, which we intend to address with a new recruitment campaign and by building on the strength of our employer brand.

Mitigation and diversification measures

Recent developments affecting the restaurant industry and the population as a whole will continue to have an impact on the Company's operations in the short and medium term. Although the duration of the pandemic and its longer-term effect on the economy are still difficult to predict as of the date of this report, the Company continues to work to ensure the optimization of its network and operations based on the eventual reopening of its restaurants. Thanks to prudent management of expenses and cash flow, the total debt net of cash has remained at similar levels since the start of fiscal 2021.

Sportscene's diversification strategy has allowed the Company to maintain a certain level of activity and revenues and mitigated the impact of the pandemic on its financial results. Considering the growing appeal of off-premise dining, important efforts will continue to be dedicated to the promotion of the *La Cage – Chez vous* at-home dining offering and to further grow the retail activities.

With the gradual reopening of dining rooms in certain of establishments, Sportscene is working to ensure that the sanitary measures in place exceed all requirements and continues to adapt its menu to this new operating context. These measures are aligned with Sportscene's constant pursuit to improve its customer and employee experience.

Disclaimer

This press release contains forward-looking statements relating to the Company. Statements based on management's current expectations involve known and unknown inherent risks and uncertainties, including risks associated with public health issues such as those resulting from the COVID-19 pandemic. Actual results may differ from expectations. The reader is cautioned not to place undue reliance on forward-looking information. The Company does not undertake any obligation to update or revise any forward-looking statements as a result of new information, future events or other changes except if required by applicable laws.

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.

About Sportscene Group

Sportscene Group Inc. is a pioneer and leader in the ambiance restaurant niche in Quebec. Since 1984, it has been operating the **La Cage – Brasserie Sportive** ("La Cage") restaurant chain, differentiated by its sporting ambiance and food made from fresh, local products. The La Cage banner enjoys a strong brand image and is present throughout the province, currently with 38 outlets. Sportscene is diversifying its restaurant activities, notably through its operation of **P.F. Chang's**, an Asian cuisine restaurant and its catering business for 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, ready-to-eat meals and ready-to-cook boxes.

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Non-IFRS measures

The following measures used by the Company are not measures recognized under International Financial Reporting Standards ("IFRS"):

- (1) *Consolidated adjusted EBITDA* corresponds to "earnings before financial expenses, amortization, net loss (income) of joint ventures and income taxes", from which other (gains) losses are excluded and to which the share of earnings before financial expenses, amortization and income tax of joint ventures is added. Refer to the reconciliation of Non-IFRS measures below.

Reconciliation of Non-IFRS Financial Measures

(Unaudited, in thousands of \$)

	13-weeks ended		26-weeks ended	
	February 28, 2021	February 23, 2020	February 28, 2021	February 23, 2020
Earnings before financial expenses, amortization, net income of joint ventures and income taxes	813	3,531	2,027	8,742
Other (gains) losses	(489)	173	(412)	(310)
Government assistance deducted from amortization and financial expenses	523	-	987	-
Earnings before financial expenses, amortization and income taxes of joint ventures	41	392	171	606
Consolidated adjusted EBITDA	888	4,096	2,773	9,038

For further information regarding the results and financial position of Sportscene Group Inc., refer to the interim management report as well as the interim condensed consolidated financial statements and accompanying notes for the 13 and 26-week periods ended February 28, 2021, which are available on SEDAR.

Interim Condensed Consolidated Statements of Comprehensive Income

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

	13-week periods ended		26-week periods ended	
	February 28, 2021	February 23, 2020	February 28, 2021	February 23, 2020
	\$	\$		\$
Revenues	13,932	34,678	27,497	73,051
Cost of sales	9,333	12,533	16,693	26,818
Selling and administrative expenses, excluding amortization	4,275	18,441	9,189	37,801
Other (gains) losses ⁽¹⁾	(489)	173	(412)	(310)
Earnings before financial expenses, amortization, net loss (income) of joint ventures and income tax	813	3,531	2,027	8,742
Amortization	1,462	2,432	2,953	4,845
Financial expenses	377	505	728	1,048
Net loss (income) of joint ventures	136	(358)	140	(410)
	1,975	2,579	3,821	5,483
Income before income tax	(1,162)	952	(1,794)	3,259
Income tax (recovery) expense	(273)	220	(444)	819
Net and comprehensive income	(889)	732	(1,350)	2,440
Net and comprehensive income (loss) attributable to:				
The Company's shareholders	(896)	741	(1,336)	2,444
Non-controlling interests	7	(9)	(14)	(4)
Net and comprehensive income	(889)	732	(1,350)	2,440
Earnings per share (in dollars):				
Basic	(0.11)	0.09	(0.16)	0.29
Diluted	(0.11)	0.09	(0.16)	0.28
Weighted average number of outstanding Class A shares (in thousands):				
Basic	8,554	8,548	8,551	8,548
Diluted	8,554	8,763	8,551	8,763

⁽¹⁾ Other (gains) losses include gains/losses on the disposal of property, plant and equipment, loss on impairment of non-current assets, gains on business combinations and gain on disposal of investments in joint ventures. For further details, see Note 7 accompanying the interim condensed consolidated financial statements.