BMTC Group Inc.

BMTC Group Inc. (the "Company"), is a Company incorporated in accordance with Article 140 of the Business Corporations Act (Quebec). Its Common Shares are listed on the Toronto Stock Exchange.

Through its subsidiary, Ameublements Tanguay Inc., and its two divisions, Brault & Martineau and EconoMax, the Company manages and operates one of the largest furniture and household and electronic appliance retail sales networks in Quebec.

FINANCIAL HIGHLIGHTS

For the three month periods ended April 30, 2022 and 2021

(Unaudited and in thousands of dollars, except per share amounts)

	April 30, 2022	April 30, 2021
	$	$
Operations		
Revenue	**175 659**	177 208
Net earnings	**807**	10 479
Financial position		
Cash, bank overdraft and investments	**258 750**	230 992
Total assets	**583 116**	500 153
Equity	**387 530**	280 520
Per-share information		
Net earnings	**0,02**	0,31
Carrying amount	**11,62**	8,29
Stock market value		
Period high	**15,78**	15,32
Period low	**14,38**	10,50
Number of shares outstanding		
Common shares	**33 347 000**	33 826 900

BMTC Group Inc.

Consolidated Statements of Earnings

For the three month periods ended April 30, 2022 and 2021

(Unaudited and in thousands of Canadian dollars, except per share data)

	Notes	April 30, 2022	April 30, 2021
		$	$
Revenue		**175 659**	177 208
Cost of sales		**(111 811)**	(114 775)
Gross profit		**63 848**	62 433
Other (expenses) income		**4**	7
Selling expenses	4	**(49 827)**	(48 436)
Administrative expenses	4	**(10 737)**	(11 274)
Operating earnings		**3 288**	2 730
Gains (losses) on disposals of property, plant and equipment	8	**10**	-
Realized and unrealized change in fair value of financial assets, at fair value	14	**(3 153)**	8 828
Investment income	4	**1 349**	978
Net earnings before income tax expense		**1 494**	12 536
Income tax recuperation (expense)	5	**(687)**	(2 057)
Net earnings (loss) and comprehensive income		**807**	10 479
Net earnings per share			
Basic and diluted	15	**0,02**	0,31

The accompanying notes are an integral part of the consolidated financial statements.

BMTC Group Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the three month periods ended April 30, 2022 and 2021
(Unaudited and in thousands of Canadian dollars)

	Notes	Capital stock	Retained earnings	Total shareholders' equity
		$	$	$
Balance as at February 1, 2022		**2 647**	**385 219**	**387 866**
Share redemption	**11**	**(6)**	**-**	**(6)**
Share redemption premium	**11**	**-**	**(1 137)**	**(1 137)**
Transactions with shareholders		**(6)**	**(1 137)**	**(1 143)**
Net earnings & Comprehensive income		**-**	**807**	**807**
Balance as at April 30, 2022		**2 641**	**384 889**	**387 530**

	Notes	Capital stock	Retained earnings	Total shareholders' equity
		$	$	$
Balance as at February 1, 2021		2 683	268 025	270 708
Share redemption	11	(4)	-	(4)
Share redemption premium	11	-	(663)	(663)
Transactions with shareholders		(4)	(663)	(667)
Net Earnings & Comprehensive income		-	10 479	10 479
Balance as at April 30, 2021		2 679	277 841	280 520

The accompanying notes are an integral part of the consolidated financial statements.

BMTC Group Inc.
Consolidated Statements of Cash Flows
For the three month periods ended April 30, 2022 and 2021
(Unaudited and in thousands of Canadian dollars)

	Notes	**April 30, 2022**	April 30, 2021
		$	$
OPERATING ACTIVITIES			
Net earnings before income tax expense		**1 494**	12 536
Adjustments	6	**4 826**	(5 969)
Net changes in working capital	6	**28 963**	53 709
Income taxes paid		**(10 539)**	(11 538)
Cash flow from operating activities		**24 744**	48 738
INVESTING ACTIVITIES			
Acquisition of other financial assets		**(9 352)**	(8 445)
Proceeds from disposal of other financial assets		**8 131**	7 150
Purchase of property, plant and equipment	8	**(1 049)**	(410)
Proceeds from disposal property, plant and equipment	8	**43**	-
Interest received	4	**168**	137
Dividends received	4	**1 181**	841
Cash flow from investing activities		**(878)**	(727)
FINANCING ACTIVITIES			
Payments for share redemption	11	**(1 143)**	(667)
Interest paid		**(118)**	(155)
Payment of lease liabilities	9	**(998)**	(1 005)
Cash flow from financing activities		**(2 259)**	(1 827)
Net change in cash			
Cash (bank overdraft), beginning of period		**21 607**	46 184
Cash (bank overdraft), end of period		**18 983**	(3 194)
		40 590	42 990

The accompanying notes are an integral part of the consolidated financial statements.

BMTC Group Inc.
Consolidated Statements of Financial Position

(Unaudited and in thousands of Canadian dollars)

	Notes	2022	January 31, 2022
ASSETS		**$**	$
Current			
Cash		**40 590**	18 983
Trade and other receivables		**2 617**	5 334
Current tax assets		**4 757**	-
Inventory		**123 741**	113 818
Prepaid expenses		**4 889**	1 023
Total current assets		**176 594**	139 158
Non-current			
Other financial assets	7	**216 411**	218 343
Other assets	8	**1 749**	1 749
Property, plant and equipment	8	**147 105**	148 915
Defined benefit plan		**41 257**	41 761
Total non-current assets		**406 522**	410 768
Total assets		**583 116**	549 926
LIABILITIES			
Current			
Trade and other payables	12	**170 462**	130 843
Lease liability	9	**3 995**	4 007
Current tax liability		**-**	4 677
Total current liabilities		**174 457**	139 527
Non-current			
Lease liability	9	**7 740**	8 726
Defered tax liabilities	5	**13 389**	13 807
Total non-current liabilities		**21 129**	22 533
Total liabilities		**195 586**	162 060
SHAREHOLDERS' EQUITY			
Capital stock	11	**2 641**	2 647
Retained earnings		**384 889**	385 219
Total shareholders' equity		**387 530**	387 866
Total liabilities and shareholders' equity		**583 116**	549 926

The accompanying notes are an integral part of the consolidated financial statements.

1. *GOVERNING STATUTES AND NATURE OF OPERATIONS*

BMTC Group Inc. (hereinafter "Company") is a company governed the *Business Companies 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 Company, through its subsidiaries Ameublements Tanguay Inc., Le Corbusier-Concorde S.E.C. and its two divisions Brault & Martineau and EconoMax (collectively designated as the "Company"), manages and operates a retail network of furniture, household appliances and electronic products, in Quebec.

2. *GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS*

These unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The unaudited interim consolidate financial statements have been prepared on the historical cost basis, except for certain financial instruments and the liability relating to share-based payments, which are established at fair value, and post-employment benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets, less an adjustment to reflect application of the asset limit.

3. *SUMMARY OF ACCOUNTING POLICIES*

The accounting policies specified below have been applied consistently throughout all periods presented in the unaudited interim consolidated financial statements.

3.1 Basis of consolidation

The unaudited interim consolidated financial statements include the accounts of BMTC, the ultimate and those of the wholly-owned subsidiary Ameublements Tanguay Inc. The accounting policies of the parent company, subsidiary are consistent with those adopted by BMTC.

Asset and liability balances and revenues and expenses from transactions between group companies, including unrealized gains and losses on transactions between consolidated entities, are eliminated in preparing the unaudited interim consolidated financial statements.

3.2 Foreign currency translation

The unaudited interim consolidated statement of financial position is presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency transactions are translated into the Company's functional currency, using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates in effect at the reporting date. Other foreign currency non-monetary financial assets that are measured at fair value are translated into the functional currency using the exchange rate in effect on the date of determination of fair value. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at the reporting date are recognized in earnings.

The realized and unrealized appreciation of other financial assets classified at fair value through profit or loss recognized directly in profit or loss includes the related exchange component.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

3.3 Segment reporting

In accordance with IFRS 8, *Operating Segments*, the Company presents and discloses information that is regularly reviewed by the President and the Board of Directors in assessing performance. The Company considers its retail activities as a single operating segment.

3.4 Revenue recognition

Revenue from merchandise sales is measured at the amount of the consideration for which the Company expects to receive in exchange for the merchandise and is presented in earnings net of estimated returns and rebates, and excluding sales taxes. Revenue is recognized when the control of the goods has been transferred to the customer, i.e. upon delivery.

Revenue from extended service contracts is recognized at the time of the sale at the net amount of costs incurred by the Company with the service suppliers, who will provide the services required by the Company's customers.

Investment income is recognized using the accrual basis of accounting, as follows:

- Interest is recognized based on the number of days the investment was held during the year and is calculated using the effective interest method;
- Dividends on listed share investments are recognized when the right to receive the payment is established.

3.5 Income taxes

Income tax expense comprises the sum of deferred tax and current tax. Income tax is recognized in earnings except to the extent it relates to items recognized in other comprehensive income or directly in shareholders' equity.

Current income tax assets or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable income, which differs from earnings in the consolidated financial statements. The calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or of an asset or liability unless the related transaction is a business combination or affects tax or accounting income.

Deferred tax assets and liabilities are calculated, without discounting, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities levied by the same taxation authority.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense, except where they relate to items that are recognized in other comprehensive income or directly in shareholders' equity, in which case the related deferred tax is also recognized in other comprehensive income or shareholders' equity, respectively.

3.6 Inventory

Inventory, which is composed almost exclusively of finished goods for retail sale, is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.7 Vendor rebates

Cash considerations received from vendors are a reduction of the price of the vendors' products and are accounted for as a reduction of cost of sales and related inventory, respectively, in the Company's consolidated statement of earnings and comprehensive income and consolidated statements of financial position.

Rebates are recognized when they are considered probable and can be reasonably estimated.

3.8 Property, plant and equipment

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment with different useful lives are depreciated separately. Depreciation commences when an item of property, plant and equipment is available for use using the straight-line method over the following periods, in order to depreciate its cost less the residual value over its estimated useful life.

	Periods
Land	Not depreciated
Parking lots	20 years
Buildings	2 to 50 years
Signs	5 years
Leasehold improvements	2 to 5 years
Automotive equipment	7 to 15 years
Computer equipment	2 to 5 years
Furniture and equipment	5 years
Leased property	1 to 10 years
Leased automotive equipment	5 years

The depreciation method, useful lives and residual values are reviewed annually.

3.9 Leases, lease liability and right-of-use asset

The company records a right-of-use asset and a lease liability on the date when a leased asset becomes available.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

Right-of-use asset is equal to the cost of the initial lease liability, rent payments paid on or before the commencement date, initial direct costs incurred and restoration costs, less any incentive received. The Company includes its right-of-use assets with its property, plant and equipment in Note 8.

The lease liability corresponds to the present value of lease payments discounted at the implicit interest rate in the lease or the Company incremental borrowing rate. The Company's incremental borrowing rate is based on its credit rating, allowing it to obtain an asset of a similar value with similar security.

The Company has elected to apply the exemption provision relating to short-term leases and leases of low-value, and associated costs, such as maintenance and insurance, are expensed as incurred.

3.10 Impairment of property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating-unit level.

Individual assets or assets combined into cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.11 Shareholders' equity

Capital stock is the amount received on issuance and is presented net of the initial share issue income on redeemed shares.

Retained earnings include all current and prior period retained profits, net of share redemption premiums, dividends paid and the costs of share issuances.

Dividends payable to shareholders are included in other payables when they have been declared before the reporting date.

3.12 Share-based remuneration

The Company has a share-based remuneration plan for certain directors and officers. According to the plan, an option holder can choose, at any time at the holder's sole discretion, to receive, from the Company, a cash payment equal to the number of shares for which the option is exercised, multiplied by the amount for which the market value of the share exceeds the exercise price, or to subscribe to a number of shares for which the option is exercised. The rights relating to the options are vested at the date of grant, and their maximum life is 10 years.

At the time of the award, these options are compound financial instruments; accordingly, the fair value is the total fair values of the debt and equity components. The Company first measures the fair value of the debt component and then the fair value of the equity component.

The Company recognizes the debt component, i.e. the stock appreciation rights, at fair value, determined using the Black-Scholes model, and the fair value is measured on each reporting date. A corresponding remuneration cost is recognized in net earnings under administrative expenses.

At the time of the award, the fair value of the equity component is measured at zero. Accordingly, the fair value of the compound financial instrument is the same as the fair value of the debt component.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

At the date of settlement, the Company must remeasure the liability to its fair value. If the Company issues equity instruments on settlement rather than paying cash, the liability is transferred directly to equity, as consideration for the equity instruments issued. If, on settlement, the Company pays in cash rather than by issuing equity instruments, that payment is applied to settle the liability in full.

3.13 Post-employment benefits

The Company provides post-employment benefits through defined benefit pension plans as well as defined contribution pension plans.

Contributions to the defined contribution plans are recognized as an expense in the period that relevant employee services are rendered.

The Company accrues its obligations under its defined benefit pension plans and the related costs, net of plan assets, as the services are rendered. The Company has adopted the following accounting policies:

- The Company's defined benefit plan obligations are measured individually, estimating the amount of future benefits earned by employees for services provided in the current and prior periods. The actuarial valuation of defined benefit obligations uses the projected unit credit method. This determination incorporates management's best estimate of future salary levels, retirement ages of employees, mortality rates and other actuarial assumptions.
- The discount rate for defined benefit obligations is determined by reference to the market yield, at year-end, on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.
- Remeasurements, which include actuarial gains and losses on benefit obligations, the return on plan assets in excess of interest income, the effect of the asset ceiling, and the impact of minimum funding requirements, are recognized in other comprehensive income and retained earnings immediately without any reclassification to net earnings.
- The defined benefit plan amount presented in the consolidated statement of financial position is the difference between the present value of the defined benefit plan obligations and the fair value of the plan assets at the reporting date. The economic benefit available is calculated as the difference between the present value of the accounting value of the current service cost of the employer and the current services cost of the employer on a funded basis. This value cannot, however, be negative. When there is a defined benefit plan asset, the amount of the asset recognized cannot be greater than the present value of any future economic benefit available as a future plan reimbursement or decrease in future plan contributions. Any minimum funding requirements applicable to the Company's plans are taken into account to calculate the present value of economic benefits.
- An additional liability is recognized in the amount of the minimum funding requirement for defined benefit plans when the Company does not have an unconditional right to the surplus.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

3.14 Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and when amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

3.15 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

For the purpose of subsequent measurement, financial assets of the Company are classified into the following categories upon initial recognition:

– Amortized cost;
– Financial assets at fair value through profit or loss.

The following table summarizes the financial instrument classification and valuation methods.

Item	Classification method
Cash	Amortized cost
Trade and other receivables	Amortized cost
Other financial assets	Fair value through profit or loss
Bank overdraft	Amortized cost
Trade and other payables*	Amortized cost

* Excluding employee benefits payable, which are not financial instruments.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

The category determines subsequent measurement and whether any resulting income and expense is recognized in net earnings or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are tested for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognized in net earnings are presented within realized and unrealized gains on financial assets at fair value or finance income, except for any impairment of trade and other receivables which is presented within administrative expenses.

Financial assets at amortized cost

A financial asset must be measured at amortized cost if the two following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. The amount of expected credit losses is updated on each reporting date to take into account changes in credit risk since the initial recognition of the respective financial instrument.

The Company recognizes lifetime expected credit losses on the financial assets measured at amortized cost. Lifetime expected credit losses correspond to expected credit losses that result from all possible default events over the expected life of a financial instrument. The measurement of expected credit losses reflects reasonable and supportable information on past events, current conditions and forecasts of events and economic conditions and takes into account factors specific to receivables, general economic conditions and an assessment of the current and forecast direction of the conditions at the reporting date, including the time value of money, as applicable.

Financial assets at fair value through profit or loss

Investments presented as other financial assets have been classified at fair value through profit or loss because they are part of a portfolio included in management reports and are measured at fair value by management. Consequently, realized and unrealized gains and losses on these assets are recognized through profit or loss. Transaction costs related to held-for-trading financial assets are expensed as incurred.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

3.16 Government grants

Government grants are recognized when there is reasonable assurance that the eligibilty requirements are met and that the grant will be received. The Company recognizes grants, as a reduction of expenses, in the same period in wich the expenses are incurred unless the conditions for obtaining them are met after the expenses have been recognized. In these cases, the grant is recognized when it becomes receivable.

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

3.17 Judgment, estimates and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below.

Inventory valuation

The Company uses a high degree of judgment when estimating the effect of certain factors on the net realizable value of inventory, such as obsolescence and damages. The quantity, age and condition of inventory is measured and evaluated regularly during the period.

Estimated returns and vendor rebates

In determining the probability and estimation of returns and vendor rebates receivable, the Company uses actual purchases during the period, the degree of achievement of sales forecasts and contractual terms and conditions.

Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at each reporting date based on the expected utility of the assets. Actual results may, however, vary due to technical obsolescence, particularly for software and IT equipment.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available, that is for banker’s acceptances and discount notes.

The carrying amounts of these instruments and a price sensitivity analysis of other financial instruments are presented in Note 14. In applying the valuation techniques, management makes maximum use of observable data, and uses estimates and assumptions that are, as far as possible, consistent with data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses the best information available. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provisions and contingent liabilities

Judgment is required to determine whether a past event has led to a liability that should be recognized in the consolidated financial statements or presented as a contingent liability. Judgment and estimates are applied to quantify such liabilities and are based on a variety of factors, such as the nature of the claim or conflict, legal proceedings, the potential amount payable, the advice of legal counsel, prior experience and the likelihood of a loss. Refer to Note 13 for details on the carrying amount and other information on provisions and contingent liabilities.

(Unaudited and in thousands of dollars, except per share amounts)

3. *SUMMARY OF ACCOUNTING POLICIES (Continued)*

Defined benefit pension plan cost and obligations

Management estimates the defined benefit obligations annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The defined benefit obligations estimate is based on standard rates of inflation, mortality rates and the Company's specific anticipation of future salary increases. Estimation uncertainties exist particularly with regard to the assumptions, which may vary significantly in future valuations of the Company's defined benefit obligations.

4. *ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENTS OF EARNINGS*

	April 30, 2022	April 30, 2021
Employee benefits expense	**$**	$
Salaries*	**26 551**	25 098
Defined benefit pension plans expenses	**1 459**	1 328
Defined contribution pension plan expense	**368**	294
Total employee benefits expense	**28 378**	26 720

* Salaries for the three month period ended April 30, 2021 include the Canada Emergency Wage Subsidy (CEWS) of $ 1,244.

	April 30, 2022	April 30, 2021
Other elements of revenues and expenses	**$**	$
Depreciation of property, plant and equipment	**2 410**	2 869
Losses (gains) on disposals of financial assets	**-**	(407)

	April 30, 2022	April 30, 2021
Investment income	**$**	$
On financial assets at fair value through profit or loss		
Interest	**97**	101
Dividends	**1 181**	841
On financial assets at amortized cost		
Interest	**71**	36
	1 349	978

(Unaudited and in thousands of dollars, except per share amounts)

5. *INCOME TAXES*

The income tax expense is detailed as follows:	**April 30, 2022**	April 30, 2021
	$	$
Total current tax expense (recovery) for the period	**1 105**	898
Total deferred tax expense (recovery)*	**(418)**	1 159
	687	2 057

* In 2022 and 2021, the deferred tax liability includes only the impact of changes in temporary differences.

The Company's effective income tax rate differs from the combined statutory income tax rate. This difference arises from the following items:

	April 30, 2022	April 30, 2021
Income tax expense (recovery) for the period based on combined tax rate (federal and provincial) (of 26.50% in 2022 and 2021)	**$** **395**	$ 3 322
Non-taxable dividends	**(126)**	(104)
Non-taxable capital gains	**418**	(1 170)
Non-deductible expenses	**-**	9
	687	2 057

The tax effects of significant components of temporary differences that give rise to the Company's deferred tax assets are as follows:

	Balance as at February 1, 2022	**Recognized in earnings**	**Recognized in other comprehensive income**	**Balance as at April 30, 2022**
	$	**$**	**$**	**$**
Recognized amounts				
Net unrealized gain (loss) on other financial assets	**(3 369)**	**418**	**-**	**(2 951)**
Liability (asset) defined benefit plans	**(11 018)**	**-**	**-**	**(11 018)**
Property, plant and equipment	**580**	**-**	**-**	**580**
	(13 807)	**418**	**-**	**(13 389)**

	Balance as at February 1, 2021	Recognized in earnings	Recognized in other comprehensive income	Balance as at January 31, 2022
	$	$	$	$
Recognized amounts				
Net unrealized gain (loss) on other financial assets	(594)	(2 775)	-	(3 369)
Liability (asset) defined benefit plans	7 395	-	(18 413)	(11 018)
Property, plant and equipment	772	(192)	-	580
	7 573	(2 967)	(18 413)	(13 807)

(Unaudited and in thousands of dollars, except per share amounts)

6. *CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL*

Adjustments are detailed as follows:

	April 30, 2022	April 30, 2021
	$	$
Depreciation of property, plant and equipment	**2 410**	2 869
Deficit (excess) of contributions over defined benefit plan expense	**504**	406
Investment income	**(1 349)**	(978)
Unrealized depreciation (appreciation) of financial assets at fair value	**3 153**	(8 421)
Losses (gains) on disposal of non-financial assets	**(10)**	-
Interest on lease liability	**118**	155
	4 826	(5 969)

The net change in working capital is detailed as follows:

	April 30, 2022	April 30, 2021
	$	$
Trade and other receivables	**2 717**	218
Inventory	**(9 923)**	(481)
Prepaid expenses	**(3 866)**	(3 295)
Trade and other payables excluding accrued charges of construction in progress	**40 035**	57 267
	28 963	53 709

7. *OTHER FINANCIAL ASSETS*

	April 30, 2022	
	Fair value	**Cost**
At fair value through profit or loss	**$**	**$**
Liquidities bearing interest from 0.30 % to 0.50 %, maturing no later than 2022	**59 952**	**59 952**
Government and corporate bonds	**32 778**	**32 194**
Shares of Canadian companies	**56 869**	**43 508**
Shares of U.S. companies	**66 812**	**57 717**
Total at fair value through profit or loss	**216 411**	**193 371**
Total other financial assets	**216 411**	**193 371**

	January 31, 2022	
At fair value through profit or loss	$	$
Liquidities bearing interest from 0.30% to 0.50%, maturing no later than 2021	68 074	68 074
Government and corporate bonds	27 627	26 804
Shares of Canadian companies	55 503	42 993
Shares of U.S. companies	67 139	54 279
Total at fair value through profit or loss	218 343	192 150
Total other financial assets	218 343	192 150

(Unaudited and in thousands of dollars, except per share amounts)

8. *PROPERTY, PLANT AND EQUIPMENT*

	Land	Parking lots and buildings	Signs	Leasehold improvements	Automotive equipment	Computer equipment	Furniture and equipment	Leased property	Leased automotive equipment	Total
	$	$	$	$	$	$	$	$	$	$
Gross carrying amount										
Balance as at February 1, 2022	**55 691**	**152 715**	**539**	**9 719**	**3 976**	**9 055**	**7 123**	**22 432**	**1 525**	**262 775**
Additions	**-**	**-**	**-**	**-**	**224**	**18**	**391**	**-**	**-**	**633**
Disposals	**-**	**-**	**-**	**-**	**(47)**	**-**	**-**	**-**	**-**	**(47)**
Balance as at April 30, 2022	**55 691**	**152 715**	**539**	**9 719**	**4 153**	**9 073**	**7 514**	**22 432**	**1 525**	**263 361**
Depreciation and impairment										
Balance as at February 1, 2022	**-**	**74 862**	**461**	**9 628**	**2 502**	**8 313**	**6 032**	**11 097**	**965**	**113 860**
Disposals	**-**	**-**	**-**	**-**	**(14)**	**-**	**-**	**-**	**-**	**(14)**
Depreciation	**-**	**1 187**	**6**	**10**	**74**	**67**	**89**	**891**	**86**	**2 410**
Balance as at April 30, 2022	**-**	**76 049**	**467**	**9 638**	**2 562**	**8 380**	**6 121**	**11 988**	**1 051**	**116 256**
Carrying amount as at April 30, 2022	**55 691**	**76 666**	**72**	**81**	**1 591**	**693**	**1 393**	**10 444**	**474**	**147 105**
Gross carrying amount										
Balance as at February 1, 2021	57 440	157 875	539	9 719	3 244	8 662	6 686	21 221	1 525	266 911
Additions	-	482	-	-	898	393	437	1 211	-	3 421
Disposals	(1 749)	(5 642)	-	-	(166)	-	-	-	-	(7 557)
Balance as at January 31, 2022	55 691	152 715	539	9 719	3 976	9 055	7 123	22 432	1 525	262 775
Balance as at February 1, 2021	-	73 826	436	9 583	2 293	7 991	5 709	7 697	625	108 160
Disposals	-	(5 642)	-	-	(126)	-	-	-	-	(5 768)
Depreciation	-	6 678	25	45	335	322	323	3 400	340	11 468
Balance as at January 31, 2022	-	74 862	461	9 628	2 502	8 313	6 032	11 097	965	113 860
Carrying amount as at January 31, 2022	55 691	77 853	78	91	1 474	742	1 091	11 335	560	148 915

During the period ended April 30, 2022, the Company disposed of financial assets in the amount of $43, which resulted in a gain of $10.

Carrying amount as at January 31, 2022 includes capital assets for which an amount of $416 is included in accrued expenses. During the year ended January 31, 2022, the Company disposed of financial assets in the amount of $172, which resulted in a gain of $132. In addition, the Company transferred to other assets an amount of $1 749, following a change of usage of a piece of land.

(Unaudited and in thousands of dollars, except per share amounts)

9. *LEASE LIABILITY*

The Company is commited under long-term leases for stores, wharehouses and leased automotive equipment, for which a lease liability is recorded. The reconciliation of the lease liability is detailed as follows:

	April 30, 2022	Jan. 31, 2022
Opening balance	**12 733**	15 295
Additions		1 211
Interest	**118**	550
Payments	**(1 116)**	(4 323)
Closing balance	**11 735**	12 733

The principal payments to be made are detailed as follows:

	Less than one year	From 1 to 5 years	More than 5 years	Total
	$	$	$	$
April 30, 2022	**3 995**	**6 711**	**1 029**	**11 735**
January 31, 2022	4 007	7 555	1 171	12 733

The Company is commited under long-term leases, for which additional payments for taxes and maintenance, not taken into account in the lease liability obligation, are required. During the three month period ended April 30, 2022, a rental charge of $305 was recognized in earnings ($444 for the corresponding period of 2021) in connection with these additional payments.

For the three month peirods ended April 30, 2022 and 2021, there were no low value or short-term contracts recorded in earnings.

10. *BANK BORROWINGS*

The Company has an unsecured line of credit in the amount of $30,000, repayable on demand, bearing interest at the prime rate. The company is subject to certain restrictive covenants, for the three month period ended April 30, 2022, the company was not in default.

(Unaudited and in thousands of dollars, except per share amounts)

11. *CAPITAL STOCK*

Authorized

Unlimited number of shares without par value
First preferred shares, issuable in series.
Second preferred shares, issuable in series.

	April 30, 2022	January 31, 2022
	$	$
Issued and fully paid		
33,347,000 common shares (33,423,000 as at January 31, 2022)	**2 641**	2 647

	April 30, 2022	January 31, 2022
Issued and fully paid		
Beginning of period	**33 423 000**	33 880 000
Share redemption	**(76 000)**	(457 000)
Issued and fully paid, end of period	**33 347 000**	33 423 000
Shares authorized for the share option plan	**5 710 864**	5 710 864
Total shares authorized	**39 057 864**	39 133 864

During the three month period ended April 30, 2022, the Company redeemed 76,000 common shares for a total cash consideration of $1,143. The redemption premium of $1,137 for the shares was recognized in retained earnings.

During the year ended January 31, 2022, the Company redeemed 457,000 common shares for a total cash consideration of $6,752. The redemption premium of $6,716 for the shares was recognized in retained earnings.

None of the parent's shares were held by any of the Company's subsidiaries.

Share option plan

The Company has a share option plan for certain directors and employees, which provides for the purchase of common shares under certain circumstances up to a maximum number of 10,729,106 issuable common shares. As at April 30, 2022, a total of 5,710,864 common shares (5,710,864 common shares as at January 31, 2022) remained authorized for issuance under the Company's share option plan.

(Unaudited and in thousands of dollars, except per share amounts)

12. *TRADE AND OTHER PAYABLES*

The following table analyzes trade and other payables recognized in the consolidated statements of financial position:

	April 30, 2022	January 31, 2022
	$	$
Trade accounts payable	**41 519**	29 009
Accrued expenses	**16 881**	14 046
Accrued expenses construction in progress		416
Employee benefits	**14 797**	14 484
Customer deposits	**97 265**	72 888
	170 462	130 843

13. *PROVISIONS AND CONTINGENT LIABILITIES*

The Company is party to claims and lawsuits in the normal course of business. Management believes that the resolution of these claims and lawsuits will not have a materially adverse effect on the Company's financial position.

14. *FINANCIAL INSTRUMENTS*

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and liabilities:

	April 30, 2022	Jan. 31, 2022
	$	$
Financial assets		
Financial assets at fair value through profit and loss		
Other financial assets	**216 411**	218 343
Financial assets at amortized cost		
Cash	**40 590**	18 983
Trade and other receivables	**2 617**	5 334
	43 207	24 317
Financial liabilities		
Financial liabilities at amortized cost		
Trade (excluding employee benefits) and other payables	**155 665**	116 359
	155 665	116 359

(Unaudited and in thousands of Canadian dollars, except per share data)

14. *FINANCIAL INSTRUMENTS (Continued)*

The following table presents financial assets and financial liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and financial liabilities measured at fair value in the consolidated statements of financial position and financial instruments measured at amortized cost for which fair value is presented are grouped according to the fair value hierarchy is as follows:

			April 30, 2022
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Financial assets at fair value			
Liquidities bearing interest	**59 952**		
Government and corporate bonds	**32 778**		
Shares of Canadian companies	**56 869**		
Shares of U.S. companies	**66 812**		

			January 31, 2022
	Level 1	Level 2	Level 3
	$	$	$
Financial assets at fair value			
Liquidities bearing interest	68 074		
Government and corporate bonds	27 627		
Shares of Canadian companies	55 503		
Shares of U.S. companies	67 139		

(Unaudited and in thousands of Canadian dollars, except per share data)

14. ***FINANCIAL INSTRUMENTS (Continued)***

Fair value measurement

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The fair value of a financial instrument is generally the consideration for with the instrument would be exchanged in an arm's length transaction, between knowledgeable, willing parties who are under no compulsion to act.

The existence of published price quotations in an active market is the best evidence of fair value. The fair value of shares and bonds is established based on the most recent closing date market price, based on the bid price at the period-end. If a security is not actively traded, the fair value is determined by a valuation technique using observable market date to the extent possible.

	April 30, 2022	April 30, 2021
	$	$
Gains (losses) on assets held at the close of the reporting period	**(3 153)**	8 421
Gains (losses) on assets not held at the close of the reporting period	**-**	407
Gains (losses) realized and unrealized on financial assets, fair value	**(3 153)**	8 828

Financial instrument risks

The Company's manages the risks arising from financial instruments, in close cooperation with the Board of Directors. The objectives are to ensure the availability of sufficient amounts of cash flow in the short and medium term of the company by reducing the exposure to financial markets. Long-term financial instruments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Market risk

Market risk encompasses many types of risk. The variation of the types of risk, such as interest rate risk and other factors impacting all similar publicly traded financial instruments, has an impact on the fair value of the financial assets classified at fair value through profit or loss. To minimize market risk, the Company ensures that the type of investments and individual investments in its investment portfolio are diversified. Additionally, a significant portion of its investments is in financial instruments with short maturity dates, in particular banker’s acceptances and discount notes.

(Unaudited and in thousands of Canadian dollars, except per share data)

14. *FINANCIAL INSTRUMENTS (Continued)*

Price risk sensitivity

The following table illustrates the sensitivity of income and equity in regards to changes in the market price all other things being equal. It assumes a ± 5 % change of the market price for the three month periods ended April 30, 2022 and 2021.

	April 30, 2022	April 30, 2021
	$	$
Variation		
Income for the period and equity	**6 786**	5 557

Exchange risk and foreign currency sensitivity

The Company is exposed to exchange risk, because a part of its purchases of inventory is made in currencies other than Canadian dollars. The Company also owns U.S. dollar equity investments in U.S. companies.

The Company does not enter into foreign exchange forward contracts to mitigate the exposure to foreign currency risk.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts are translated into Canadian dollars at the closing rate:

	April 30, 2022	April 30, 2021
	$	$
Shares of U.S. companies	**66 812**	54 725
Trade and other payables in U.S. dollars	**(2 461)**	(1 999)
Total exposure	**64 351**	52 726

The following table illustrates the sensitivity of income and equity in regards to changes in the market price all other things being equal. It assumes a ± 5 % change of the market price for the three month periods ended April 30, 2022 and 2021.

	April 30, 2022	April 30, 2021
Variation	**$**	$
Income for the period and equity	**2 808**	2 300

(Unaudited and in thousands of Canadian dollars, except per share data)

14. *FINANCIAL INSTRUMENTS (Continued)*

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation towards the Company. The Company is exposed to this risk as a result of various financial instruments, for example, its deposits, investments in bonds, etc. The Company's maximum credit risk exposure is limited to the carrying amount of certain financial assets recognized on the reporting date, as summarized in the following table:

	April 30, 2022	January 31, 2021
Financial asset categories – carrying amounts	**$**	$
Cash	**40 590**	18 983
Trade and other receivables	**2 617**	5 334
	43 207	**24 317**

The Company's management considers that the credit quality of the above financial assets that are not impaired or in default at the reporting date is good. As of April 30, 2022, none of the significant customers and other debtors, unimpared, are in default.

Credit risk in respect of cash, banker's acceptances and discount notes, amounts receivable on credit and debit cards is considered negligible because the counterparties are reputable banks with quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations. The Company manages its liquidities by monitoring forecasted cash receipts and disbursements in the course of daily activities. Net cash requirements are compared with available cash, investments and credit facility to ascertain if they are sufficient for the period in question. The Company also considers expected cash resources from sales and its financial assets in managing the liquidity risk.

(Unaudited and in thousands of Canadian dollars, except per share data)

14. *FINANCIAL INSTRUMENTS (Continued)*

Future payments to be made under its contractual obligations are allocated as follows:

					April 30, 2022
	Carrying amount	**Contractual cash flows**	**Under 1 year**	**2 - 5 ans**	**More than 5 years**
	$	**$**	**$**	**$**	**$**
Trade and other payables excluding customer deposits	**73 197**	**73 197**	**73 197**	**-**	**-**
Lease liability	**11 735**	**12 656**	**4 370**	**7 220**	**1 066**
	84 932	**85 853**	**77 567**	**7 220**	**1 066**

					January 31, 2022
	Valeur comptable	Contractual cash flows	Under 1 year	2 - 5 ans	More than 5 years
	$	$	$	$	$
Trade and other payables excluding customer deposits	57 955	57 955	57 955	-	-
Lease liability	12 733	13 771	4 421	8 132	1 218
	70 688	71 726	62 376	8 132	1 218

Capital management

The Company's capital management objectives are to safeguard its assets, while maximizing the Company's growth and providing an adequate return to its shareholders. In addition to a conservative approach with respect to safeguarding the financial position, the Company achieves its objective through sound management of internally generated capital and through using capital when necessary to finance its growth initiatives. The Company's capital corresponds to equity.

(Unaudited and in thousands of Canadian dollars, except per share data)

15. EARNINGS PER SHARE AND DIVIDENDS

The following table presents the calculation of basic net earnings per share:

	April 30, 2022	April 30, 2021
	$	$
Net earnings	**807**	10 479
Weighted average number of shares to calculate basic and diluted net earnings per share	**33 604 292**	33 952 680
Net earnings per share Basic and diluted	**0,02**	0,31

16. SUBSEQUENT EVENT

No adjusting or significant non-adjusting event occurred between the reporting date and the date of authorization of the unaudited interim consolidated financial