



C O M M U N I Q U É

DOREL JUVENILE

Maxi-Cosi

Tiny Love

Safety 1st

BebeConfort

Cosco

Infanti

DOREL HOME

Dorel Home Products

Cosco Home & Office

Ameriwood

Dorel Living

Signature Sleep

Little Seeds

EXCHANGES

TSX: DII.B, DII.A

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DOREL ANNOUNCES FINANCING TRANSACTION

- **Monetization of Company-owned factory in Columbus, Indiana**

Montréal, February 21, 2025 — Dorel Industries Inc. (TSX: DII.B, DII.A) announced today that it has entered into a sale-leaseback transaction for its factory and warehousing facility in Columbus, Indiana. The gross proceeds to Dorel from the sale will be US\$30 million, of which approximately US\$8 million will be allocated to reduce existing debt, with the balance designated for funding the Company's ongoing operations. The lease has an initial term of ten years and may be renewed at the Company's option for two renewal terms of five years each. The initial annual rent is approximately US\$2.9 million, subject to annual increases. The obligations of the lessee Dorel Juvenile Group, Inc. are not guaranteed by Dorel Industries Inc., its parent company. This transaction is part of the Company's initiative to finance the growth of its Juvenile segment and the turnaround of its Home segment, as announced on January 30, 2025. The Company is diligently exploring additional opportunities to further enhance its financial position.

Each of Martin Schwartz, Jeffrey Schwartz and Jeff Segel, directors and executive officers of Dorel, and Alan Schwartz, an executive officer of Dorel, has an ownership interest in the purchaser/lessor of the facility in Columbus, Indiana. As such, the sale-leaseback transaction constitutes a "related party transaction" for Dorel under Canadian Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Dorel's Board of Directors, for the purposes thereof comprised solely of Dorel's four independent directors, approved the transaction and determined, acting in good faith, that (i) Dorel is in serious financial difficulty; (ii) the transaction is designed to improve Dorel's financial position; (iii) the transaction is not subject to court approval and no court has ordered that the transaction be effected under bankruptcy or insolvency law or under applicable corporate law; (iv) Dorel has four independent directors in respect of the transaction; and (v) the Board of Directors, acting in good faith, determined, and all of Dorel's four independent directors, acting in good faith, determined that clauses (i) and (ii) above apply to the transaction and that the terms of the transaction are reasonable in Dorel's circumstances. As a result, the sale-leaseback transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 which generally apply to a "related party transaction". In making its determination, the Board of Directors relied in part on a report from a third party specialized in real estate. The Board of Directors also relied on advice from its independent legal advisors in making the foregoing determinations.

Dorel will file a material change report with respect to the transaction on SEDAR+. Dorel will not file the material change report at least 21 days before the closing date of the transaction as the terms and conditions of the transaction were only recently finalized. In Dorel's view, the shorter period is necessary to permit Dorel to close the transaction on a timely basis in order to improve its financial position.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization, operating two distinct businesses in juvenile products and home products. Dorel's strength lies in the diversity, innovation and quality of its products as well as the superiority of its brands. Dorel Juvenile's powerfully branded products include global brands Maxi-Cosi, Safety 1st and Tiny Love, complemented by regional brands such as BebeConfort, Cosco, Mother's Choice and Infanti. Dorel Home, with its comprehensive e-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US\$1.4 billion and employs approximately 3,600 people in facilities located in twenty-two countries worldwide.

Caution Regarding Forward-Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties, including statements regarding the impact of the macro-economic environment, including inflationary pressures, changes in consumer spending, exchange rate fluctuations, the possible imposition of tariffs, and increases in interest rates on the Company's business, financial position and operations, and are based on several assumptions which give rise to the possibility that actual results could differ materially from the Company's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this press release for the purpose of giving information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this press release are based on a number of assumptions that the Company believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in or implied by the forward-looking statements include:

- general economic and financial conditions, including those resulting from the current high inflationary environment;
- changes in applicable laws or regulations;
- changes in product costs and supply channels, including disruption of the Company's supply chain resulting from the macro-economic environment;
- foreign currency fluctuations, including high levels of volatility in foreign currencies with respect to the US dollar reflecting uncertainties related to the macro-economic environment;
- possible imposition of tariffs on goods imported into the United States;
- customer and credit risk, including the concentration of revenues with a small number of customers;
- costs associated with product liability;
- changes in income tax legislation or the interpretation or application of those rules;
- the continued ability to develop products and support brand names;
- changes in the regulatory environment;
- outbreak of public health crises, such as the COVID-19 pandemic, that could adversely affect global economies and financial markets, resulting in an economic downturn which could be for a prolonged period of time and have a material adverse effect on the demand for the Company's products and on its business, financial condition and results of operations;
- the effect of international conflicts on the Company's sales, including the ongoing Russia-Ukraine war and a possible resumption of the Israeli-Hamas war;
- continued access to capital resources, including compliance by the Company with all of the covenants under its ABL facility and term loan facility, and the related costs of borrowing, all of which may be adversely impacted by the macro-economic environment;

- failures related to information technology systems;
- changes in assumptions in the valuation of goodwill and other intangible assets and any future decline in market capitalization;
- there being no certainty that the Company will declare any dividend in the future;
- increased exposure to cybersecurity risks as a result of remote work by the Company's employees;
- the Company's ability to protect its current and future technologies and products and to defend its intellectual property rights;
- potential damage to the Company's reputation; and
- the effect of climate change on the Company.

These and other risk factors that could cause actual results to differ materially from expectations expressed in or implied by the forward-looking statements are discussed in the Company's annual MD&A and Annual Information Form filed with the applicable Canadian securities regulatory authorities. The risk factors set out in the previously mentioned documents are expressly incorporated by reference herein in their entirety.

The Company cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, financial condition, or results of operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.