



DOREL JUVENILE

Maxi-Cosi
Quinny
Tiny Love
Safety 1st
Bébé Confort
Cosco
Infanti

DOREL SPORTS

Cannondale
Schwinn
Caloi
GT
Mongoose
KidTrax

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 to Appeal Decision Rendered by Luxembourg Administrative Tribunal

Montréal, January 26, 2021 – Dorel Industries Inc. (TSX: DII.B, DII.A) (“Dorel”) announces that it intends to appeal a decision of the Luxembourg Administrative Tribunal received on January 22, 2021 with respect to taxation on the transfer of certain assets in connection with an internal corporate reorganization that took place in 2015. The decision of the Luxembourg Administrative Tribunal concluded, in effect, that one of Dorel’s wholly-owned subsidiaries owes €46.8 million (euros) in tax (US \$56.9 million) plus applicable interest.

Dorel considers that the transfer of assets was not taxable and intends to appeal the decision to the Luxembourg Administrative Court. Dorel is confident that it has strong grounds for the appeal and that the appeal will be successful, although no assurances can be given in this regard. Dorel expects that the appeal will be heard, and a judgment rendered, later this year. After consultation with its professional advisors, Dorel accrued US\$2.5 million in its 2018 annual financial statements as its best estimate for this potential tax liability.

About Dorel Industries Inc.

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization, operating three distinct businesses in juvenile products, bicycles 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, Quinny and Tiny Love, complemented by regional brands such as Safety 1st, Bébé Confort, Cosco and Infanti. Dorel Sports brands include Cannondale, Schwinn, GT, Mongoose, Caloi and IronHorse. Dorel Home, with its comprehensive e-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US \$2.6 billion and employs approximately 8,000 people in facilities located in 25 countries worldwide.

Caution Regarding Forward-Looking Statements

Certain statements included in this press release, including statements relating to the appeal referred to above, may constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, Dorel 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 COVID-19 pandemic on Dorel’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 Dorel'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, Dorel cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits Dorel 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 Dorel'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, including statements relating to the appeal referred to above, are based on a number of assumptions that Dorel believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from Dorel's expectations expressed in or implied by the forward-looking statements include:

- general economic conditions;
- changes in product costs and supply channels, including disruption of Dorel's supply chain resulting from the COVID-19 pandemic;
- foreign currency fluctuations, including high levels of volatility in foreign currencies with respect to the US dollar reflecting uncertainties related to the COVID-19 pandemic;
- 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 current 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 Dorel's products and on its business, financial condition and results of operations;
- continued access to capital resources, including compliance by Dorel with financial covenants under its senior unsecured notes, revolving bank loans and term loan agreements, and the related costs of borrowing, all of which may be adversely impacted by the COVID-19 pandemic;
- failures related to information technology systems;
- changes in assumptions in the valuation of goodwill and other intangible assets and future decline in market capitalization;
- there being no certainty that Dorel will declare any dividend in the future;
- the results of the appeal to the Luxembourg Administrative Court referred to above; and
- the failure to complete Dorel's previously-announced going-private transaction.

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 Dorel'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.

Dorel cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to Dorel or that Dorel currently deems to be immaterial may also have a material adverse effect on Dorel'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.