DOREL INDUSTRIES INC.

ANNUAL INFORMATION FORM

For the fiscal year ended December 30, 2023

March 26, 2024

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In this annual information form ("AIF"), unless the context indicates otherwise, the terms "Dorel" and the "Company" mean Dorel Industries Inc. together with its subsidiaries.

Unless otherwise indicated, all references to "dollars" and the symbol "$" in this AIF are to US dollars.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this AIF 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 continued inflationary pressures, changes in consumer spending habits, exchange rate fluctuations and high 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 AIF 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 AIF 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;
- 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 the Israeli-Hamas war;
- continued access to capital resources, including compliance by the Company with all of the covenants under its senior secured asset based revolving credit facility ("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 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.

MARKET AND INDUSTRY DATA

The Company has obtained market and industry data presented in this AIF from a combination of third-party sources and the estimates of management. Although the Company believes that these third-party sources and its management estimates are reliable, the accuracy and completeness of such data is not guaranteed and has not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations on the availability and reliability of data inputs, the voluntary nature of the data-gathering process and other limitations inherent in any market research or other survey. Management's estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third-party sources. While the Company is not aware of any misstatements regarding the market and industry data presented in this AIF, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under "Caution Regarding Forward-Looking Statements" and "Risk Factors" in this AIF.

CORPORATE STRUCTURE

Incorporation of Dorel Industries Inc.

Dorel was incorporated on March 5, 1962, pursuant to Part I of the *Companies Act* (Québec) under the name Dorel Co. Ltd. On May 19, 1987, the Company was continued under Part IA of the *Companies Act* (Québec), at which time certain changes were effected to its share capital, the "private company" provisions were removed from its Articles and the Company's name was changed to Dorel Industries Inc./Les Industries Dorel Inc. On October 26, 1988, the Company amalgamated with its wholly-owned subsidiary, Ridgewood Industries Ltd. On September 20, 1991, the Company filed Articles of Amendment, effective October 1, 1991, converting each issued and outstanding common share into one-half of a Class "A" Multiple Voting Share carrying ten votes per share and one-half of a Class "B" Subordinate Voting Share carrying one vote per share. The Company was automatically continued under the *Business Corporations Act* (Québec) on February 14, 2011, the date on which that statute came into force. The Company's head and registered office is located at 1255 Greene Avenue, Suite 300, Westmount, Québec H3Z 2A4.

Subsidiaries

Schedule A annexed hereto sets out the major companies within the organizational structure of the Company as of December 30, 2023, the jurisdiction of incorporation of each subsidiary of the Company and the percentage of votes attaching to all voting securities of each beneficially owned, or controlled or directed, directly or indirectly, by the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Dorel is a global organization, operating two distinct businesses in juvenile products and home products. It operates in two distinct reporting segments: Dorel Juvenile and Dorel Home. On January 4, 2022, Dorel completed the sale of the Sports segment. Management committed to a plan to sell this segment in the third quarter of 2021 and as a result presented the Sports segment as held for sale and as a discontinued operation since September 30, 2021.

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.

As at the date of this AIF, Dorel employs approximately 3,900 people and operates in 22 countries, as described below:

- Operations in the United States include Dorel Juvenile U.S., which markets the Safety 1st, Cosco, Maxi-Cosi and Tiny Love brands, as well as Disney under licensing agreements; Ameriwood Home ("Ameriwood"), which specializes in both domestically manufactured and import Ready to Assemble ("RTA") furniture; Cosco Home & Office ("Cosco"), which markets home and office products under the Cosco brand;

- In Canada, Dorel operates Dorel Juvenile Canada and DHP Furniture.

- Dorel Juvenile Europe's head office is in Helmond, Netherlands where its major product design facilities are located. Sales operations along with manufacturing and assembly facilities are located in the Netherlands and Portugal. Dorel Juvenile Europe principally markets juvenile products throughout Europe, primarily under the brand names Maxi-Cosi, Safety 1st, Tiny Love and BebeConfort. Dorel Home Europe is headquartered in Denmark with warehouse and locations in the United Kingdom and Denmark. Dorel Home Europe distributes, primarily through e-commerce channels, an assortment of imported furniture including bedroom, office, upholstered, audio visual, kitchen, living, and dining room furniture in the U.K. and mainland Europe.

- Dorel Juvenile Australia distributes its products principally under Maxi-Cosi and local brand Mother's Choice and serves Australia and New Zealand with sales to both large retailers and specialty stores. E-commerce is a small but growing channel. Asian markets are serviced via a network of third-party distributors.

- Dorel Juvenile Brazil manufactures car seats locally and imports other juvenile products such as strollers under local brands Infanti and Voyage as well as Dorel's international brands such as Safety 1st, Cosco and Maxi-Cosi.

- Dorel Juvenile Chile is based in Chile and Peru where it operates 94 retail locations under the Infanti banner, also the principal Dorel brand sold across multiple products. Dorel Juvenile Chile also sells other ranges of juvenile products, including non-Dorel owned brands. Sales are also made via owned e-commerce websites, to major omni-channel retailers and into Bolivia, Argentina, Colombia, Panama, and other Caribbean countries through local distributors.

- In addition, Dorel operates factory outlet retail locations in Europe and Brazil.

Events in the Development of the Business

The Company was founded in Montréal, Québec in 1962 by the late Mr. Leo Schwartz, who served as its President until 1992. Dorel began operations as a small manufacturer and distributor of juvenile products. By the early 1970s, Dorel had established a national sales network for its products.

In 1987, the Company completed an initial public offering in the province of Québec of two million common shares at a price of CAD$5.00 per share for gross proceeds of CAD$10 million. At the same time, its common shares commenced trading on the Montréal Exchange. The Company's common shares were initially listed on the Toronto Stock Exchange ("TSX") in 1990.

In September 1991, the Company's shareholders approved a share capital reorganization, pursuant to which each issued and outstanding common share was converted into one-half of a Class "A" Multiple Voting Share carrying ten votes per share and one-half of a Class "B" Subordinate Voting Share carrying one vote per share.

In December 1991, the Company completed a public offering in Canada of 2.6 million Class "B" Subordinate Voting Shares at a price of CAD$5.75 per share for gross proceeds to the Company of CAD$14.95 million.

In late 1997, the Company issued 1,075,000 Class "B" Subordinate Voting Shares at a price of CAD$34.00 per share by way of public offering in Canada, for gross proceeds to the Company of CAD$36.55 million.

In May 1998, Dorel acquired Ameriwood; a portion of the purchase price for Ameriwood was financed by the issuance of 460,000 Class "B" Subordinate Voting Shares at a price of CAD$47.65 per share by way of a public offering in the United States and Canada. The net proceeds to the Company from this offering were CAD$20.2 million.

In August 1998, the Company announced a two-for-one stock split, which became effective in September 1998.

In May 2002, the Company issued 2,929,200 Class "B" Subordinate Voting Shares at a price of CAD$38.50 per share by way of a public offering in Canada, for gross proceeds to the Company of CAD$112.8 million. The net proceeds from the public offering were used by the Company to reduce bank indebtedness.

In July 2002, the Company sold, through one of its subsidiaries, $50 million principal amount of 6.80% Series A Senior Guaranteed Notes due July 26, 2012. The net proceeds from the sale of the notes were used to repay floating debt that was outstanding at the time. The notes were purchased by a group of institutional investors led by The Prudential Insurance Company of America.

In connection with the acquisition of Ampa France, now known as Dorel Juvenile France, Dorel completed the sale in February 2003 of $110 million principal amount of senior guaranteed notes. The senior guaranteed notes were purchased by a group of institutional investors including Prudential Capital Group, an institutional investment business of Prudential Financial, and Teachers Insurance and Annuity Association - College Retirement Equity Fund. Of the $110 million, Dorel issued $55 million of Series A Notes bearing interest at 5.09%, which were repaid on February 11, 2008, and $55 million of Series B Notes bearing interest at 5.63%, which were repaid on February 10, 2010.

In March 2007, the Company voluntarily delisted its Class "B" Subordinate Voting Shares from the NASDAQ Global Market. The Class "B" Subordinate Voting Shares continued to trade on the TSX after the delisting from NASDAQ.

For the first time in the Company's history, on March 12, 2007, the Board of Directors declared a quarterly dividend, in an amount of $0.125 per share on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares, Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units of the Company. Following the initial dividend declaration, the Company declared annualized dividends in the amount of $0.50 per share. On May 6, 2010, the annualized dividend was increased to $0.60 per share as a result of an increase in the quarterly dividend to $0.15 per share and on August 9, 2012, the annualized dividend was increased to $1.20 per share as a result of an increase in the quarterly dividend to $0.30 per share. On March 14, 2019, the annualized dividend was decreased to $0.60 per share as a result of a decrease in the quarterly dividend to $0.15 per share. On September 30, 2019, the Board of Directors suspended Dorel's dividends.

In connection with the acquisition of Cannondale/SUGOI, the Company entered into an amendment to its revolving bank loans ("Revolving Bank Loans") on January 18, 2008. Under the amended Revolving Bank Loans, the total availability was increased to $475 million with an "accordion" feature allowing the Company to have access to an additional amount of $50 million on a revolving basis.

On April 6, 2010, the Company announced that it had secured new long-term financing by issuing $50 million of Series "A" Senior Guaranteed Notes and $150 million of Series "B" Senior Guaranteed Notes, bearing interest at 4.24% and 5.14%, respectively. The notes were purchased by a group of institutional investors including Prudential

Capital Group, an institutional investment business of Prudential Financial, Inc. In addition, on June 16, 2010, the Company announced that it had completed the extension of its revolving credit facility. This three-year agreement, which was effective July 1, 2010, with an expiry date of July 1, 2013, was co-led by Royal Bank of Canada and Bank of Montreal. The facility allowed for borrowing up to $300 million and contained provisions for the Company to borrow up to an additional $200 million.

Effective July 15, 2011, the Company amended the Revolving Bank Loans in order to extend the maturity date from July 1, 2013, to July 1, 2014.

On November 3, 2011, the Company announced that it had significantly increased the presence of its Dorel Juvenile segment in Latin America by signing share purchase agreements to acquire a 70% interest in an existing group of companies, the Silfa Group (now known as Dorel Juvenile Chile), which owns and operates the popular Infanti brand in Chile, Bolivia, Peru, and Argentina. The transaction was completed on November 30, 2011. With this investment, Dorel entered the juvenile retail business.

Effective April 10, 2012, the Company amended the Revolving Bank Loans in order to extend the maturity date from July 1, 2014, to July 1, 2015; the total availability thereunder was reduced from $300 million to $260 million.

On September 25, 2012, the Company signed purchase agreements acquiring a 70% interest in two juvenile product businesses that sell to customers in Colombia and Central America (now known as Dorel Juvenile Colombia). This acquisition expanded the Company's ownership of the Infanti brand for which the Company owned the rights in Chile, Bolivia, Peru, and Argentina. Dorel Juvenile Chile also distributes products to Colombia, Panama, and other Caribbean countries through a local distributor.

Effective May 31, 2013, the Company amended the Revolving Bank Loans in order to extend the maturity date from July 1, 2015, to July 1, 2016. In addition, effective August 21, 2013, the total availability of the Revolving Bank Loans was increased from $260 million to $360 million and the accordion feature allowing the Company to have access to an additional amount was reduced from $200 million to $100 million.

On April 22, 2014, Caloi issued approximately $30.7 million (100.0 million BRL) of non-convertible debentures in Brazil ("Non-Convertible Debentures"). The proceeds from the issuance of the Non-Convertible Debentures were used to replace then-existing debts such as bank indebtedness and revolving bank loans. The Non-Convertible Debentures were prepaid in March 2017.

Effective May 27, 2014, the Company amended the Revolving Bank Loans in order to extend the maturity date from July 1, 2016, to July 1, 2017.

On October 9, 2014, the Company completed a public offering in Canada of 5.50% extendible convertible subordinated debentures ("Convertible Debentures") due November 30, 2019, in an aggregate principal amount of $120 million. The Company used the net proceeds from the offering to fund the acquisition of Lerado Group (now known as Dorel Juvenile China). The Convertible Debentures were redeemed in July 2019.

Effective June 19, 2015, the Company amended its Note Purchase Agreement of April 2010. Specifically, the Company repaid the $50 million Series "A" Senior Guaranteed Notes and issued $50 million Series "C" Senior Guaranteed Notes with similar terms and conditions. The Series "B" and "C" Senior Guaranteed Notes were prepaid in March 2017.

Effective June 19, 2015, the Company amended the Revolving Bank Loans and increased the total availability thereunder to $400 million from $360 million while the accordion feature allowing the Company to have access to an additional amount was reduced from $100 million to $60 million. In addition, effective November 20, 2015, the Company increased the total availability of the Revolving Bank Loans from $400 million to $422 million, while the availability of the accordion feature decreased by the same amount to $38 million.

Effective March 31, 2016, the Company amended the Revolving Bank Loans in order to extend the maturity date from July 1, 2017, to July 1, 2018. In 2016, the Company increased the total availability of the Revolving Bank Loans from $422 million to $435 million while the availability of the accordion feature decreased by the same amount to $25 million.

As part of the acquisition of Caloi in 2013, the Company had entered into a forward purchase agreement with the non-controlling interest holder for the purchase of its 30% stake in Caloi. In April 2016, the Company purchased 15% of its stake in Caloi for $4.4 million and in March 2017, the remaining 15% stake in Caloi was purchased for $7.9 million.

Effective March 24, 2017, the Company amended and restated its Credit Agreement with respect to the Revolving Bank Loans and extended the maturity date from July 1, 2018, to the earlier of (i) July 1, 2020, and (ii) May 30, 2019, if the Convertible Debentures have not been repaid or refinanced (i.e., six months prior to the maturity date). In addition, the total availability under the Revolving Bank Loans was decreased to $350 million from the total availability as at December 30, 2016 of $435 million. The accordion feature included in the Credit Agreement allowing the Company to have access to an additional amount of $25 million as at December 30, 2016 was increased to $100 million.

In addition, effective March 24, 2017, the Company secured a term loan ("Term Loan") of $200 million with the same maturity date as the Revolving Bank Loans. The net proceeds from the Term Loan were used by the Company to prepay the Series "B" and "C" Senior Guaranteed Notes and the Non-Convertible Debentures in Brazil, and to reduce bank indebtedness. The Term Loan bears interest at various rates per annum, based on the LIBOR rate plus a margin.

The Term Loan as well as the Revolving Bank Loans are secured by certain of the Company's trade receivables, inventories, property, plant and equipment and intangible assets. Under the Term Loan and the Revolving Bank Loans, the Company is subject to certain covenants, including maintaining certain financial ratios.

The restructuring activities initiated previously in 2015 as part of Dorel Juvenile's on-going transformation, whose main objective was to further align its operations to drive profitable sales growth by concentrating on improved agility with a more market-focused approach to reduce costs and better react to trends in the juvenile industry, were completed in the fourth quarter of 2018. Central to this change was the allocation of resources that create the greatest return. Overheads were reduced and savings re-purposed into needed improvement in digital capabilities and enhanced brand support. The ability to develop and bring meaningful products to market faster was improved by decreasing complexity and by sourcing opportunities to supplement existing best-in-class product development and manufacturing and further people costs reductions occurred. The main driver of these headcount reduction costs was the consolidation of the Asian-based product development team in China and additional headcount reduction opportunities overall. In addition, certain licensed third-party brands used in North America were exited to allow for additional energy and financial resources to be dedicated to Dorel owned brands.

In order to simplify and focus its business to support and grow earnings, Dorel Sports began restructuring activities in the third quarter of 2016. First, the distribution for the GT brand was transferred to a third-party distributor in China, which is the actual route-to-market in many other countries for this brand. In addition, to better serve customers, the majority of Pacific Cycle's mass market and distribution operations were relocated from Olney, Illinois to Savannah, Georgia. Lastly, the three U.S. "Cannondale Sports" retail outlets were exited. These restructuring initiatives were completed in third quarter of 2017.

During the second quarter of 2018, as Dorel Juvenile – Latin America's business continued to face a decline in sales and profitability as a result of changes in the market and consumer behaviour, assumptions on projected earnings and cash flows growth for Dorel Juvenile – Latin America cash generating unit ("CGU") were revised, which resulted in impairment charges on customer relationships of $8.9 million and trademarks of $15.3 million (Infanti brand) for a total of $24.2 million.

Due to the sustained decline in Dorel's stock price during 2018, which caused Dorel's market capitalization to be significantly lower than the carrying amount of its net assets, assumptions on projected earnings and cash flows growth were revised for the majority of the CGUs during the fourth quarter of 2018. As a result, Dorel recorded impairment losses on goodwill of $353.6 million, on trademarks of $127.3 million, on customer relationships of

$13.6 million, on software licenses of $0.9 million and on property, plant and equipment of $6.0 million for a total of $501.4 million. Of the $501.4 million recorded, $264.2 million was within Dorel Juvenile and $237.2 million was within Dorel Sports.

On March 15, 2018, Toys"R"Us, one of the Company's customers, announced that it had filed a motion seeking Bankruptcy Court approval to begin the process of conducting an orderly wind-down of its U.S. business and liquidation of inventory in all of its U.S. stores. The Company had determined that the trade accounts receivable from this customer were at risk of collection and recorded an impairment loss of $3.8 million for the year ended December 30, 2017 and an additional $12.5 million for the year ended December 30, 2018 with respect to these trade accounts receivable from Toys"R"Us U.S. During the fourth quarter of 2019, the Company received a final payment of $1.0 million resulting from the settlement agreement with Toys"R"Us U.S. for which it recorded a reversal of $0.7 million of previously recognized impairment losses.

In the second quarter of 2018, Dorel announced it was divesting its performance apparel line of business to focus on its core strategic businesses of bicycles, parts, and accessories and electric ride-ons and had sold the SUGOI and Sombrio brands. As a result of the sale of the performance apparel line of business, $11.8 million was recorded as restructuring costs.

On October 1, 2018, Dorel Home acquired the assets and operations of UK-based Alphason for a purchase price of $3.1 million (GBP 2.4 million). Established some 30 years ago, Alphason designs and distributes award-winning home office and audio-visual furniture. Alphason is now integrated within the Dorel Home Europe operations, and Dorel is using this base to expand and to provide strong logistics support with a distribution hub to serve and grow its European business, including the North American e-commerce partners, many of whom have been growing in Europe and have been asking Dorel Home to support this growth.

On March 8, 2019, Dorel amended and restated the Revolving Bank Loans and Term Loan to modify the covenants set out therein to permit additional indebtedness with other lenders in order for Dorel to refinance and redeem the Convertible Debentures. In addition, the covenants were adjusted in light of the previous twelve months results of operations in order to facilitate compliance with such covenants. The amendment also extended the maturity date to July 1, 2021, if the Convertible Debentures were repaid or refinanced by May 30, 2019. On May 8, 2019, Dorel amended the Revolving Bank Loans and Term Loan to extend their maturity date to the earlier of (i) July 1, 2021, and (ii) July 31, 2019, if the Convertible Debentures had not been repaid or refinanced, in cash or in shares of Dorel, by that date. As the Convertible Debentures were redeemed and repaid on July 22, 2019, the maturity date of the Revolving Bank Loans and Term Loan was extended to July 1, 2021. On September 30, 2019, Dorel again amended and restated the Revolving Bank Loans and Term Loan to modify the covenants therein in order to facilitate compliance with such covenants. On March 9, 2020, Dorel amended and restated the Revolving Bank Loans and Term Loan to facilitate compliance with the covenants therein based on the quarterly forecasted projections for 2020.

On March 14, 2019, Dorel announced that it had adjusted its quarterly dividend from the prior $0.30 a share to $0.15 a share for the current year. During the first three quarters of 2019, a quarterly dividend of $0.15 per share was declared by the Board of Directors. On September 30, 2019, the Board of Directors suspended Dorel's dividends.

During the first quarter of 2019, Dorel Juvenile initiated a new restructuring program across several regions, whose main objective is to simplify the organization and optimize its global footprint. These restructuring initiatives are expected to be completed in 2020. In order to improve Dorel's competitive position in the marketplace, several areas of opportunity have been identified. In Europe, the objective is to streamline the organization and better leverage its scale of operations by adopting technologies and processes that allow for the centralization of certain operating activities. In Latin America, distribution operations based in Colombia and Panama were closed, with supply continuing through a local distributor. In Asia, further efficiencies and savings initiatives are anticipated, enabled partly by investments in technology already in place. In addition, the China domestic sales organization is being re-oriented to sell directly to the consumer and is exiting unprofitable product lines and customer arrangements.

On June 17, 2019, Dorel entered into a five-year $175.0 million senior unsecured notes agreement ("Senior Unsecured Notes") with several institutional lenders. The Senior Unsecured Notes are divided into two tranches:

(i) a $125.0 million tranche that was fully drawn and used to redeem at par the Convertible Debentures; and (ii) a $50.0 million tranche that is available for general corporate purposes with the consent of the lenders. The Senior Unsecured Notes mature five years from the date of the initial advance, bear interest at a rate of 7.50% per annum payable quarterly in cash, rank *pari passu* with all of Dorel's other senior unsecured indebtedness and are guaranteed by certain of Dorel's subsidiaries. In addition, Dorel is subject to certain covenants under the Senior Unsecured Notes, including maintaining certain financial ratios. The first tranche of $125.0 million was fully drawn by Dorel on July 19, 2019, the date of the initial advance. On December 30, 2019, Dorel amended the Senior Unsecured Notes agreement to modify the covenants therein in order to be in line with the amended Revolving Bank Loans and Term Loan financial covenants.

In June 2019, Dorel provided the holders of the Convertible Debentures with a redemption notice. On July 22, 2019, Dorel redeemed the Convertible Debentures, in whole, at the par value of $120.0 million, plus accrued, and unpaid interest amounting to $0.9 million, using the net proceeds from the Senior Unsecured Notes.

On July 1, 2019, Dorel acquired certain assets and operations of Canbest Marketing Inc. ("Canbest"), a Montréal-based company engaged in the development, design and marketing of home furnishings products, for a purchase price of $9.2 million, payable in three non-interest bearing instalments, (i) $3.2 million paid on October 1, 2019; (ii) $3.0 million payable on October 1, 2020; and (iii) $3.0 million payable on October 1, 2021. Canbest is a sales, marketing and design company which provided these services to Dorel Home. For almost 20 years, Canbest supported Dorel Living in the furniture product categories of wooden bedroom, upholstery, nursery, and dining.

During the fourth quarter of 2019, Dorel Sports initiated restructuring activities as part of its focus into a more fully integrated operation in various markets. These restructuring initiatives will continue in 2020 as the strategic direction identified will be put into action and were expected to be completed by the end of 2020. Among the initiatives, in a move to support its next level of growth and to maintain the increasing momentum of its Cannondale brand, Dorel Sports was strengthening its European CSG operations which has been centralized in the Netherlands. The existing assembly plant in Oldenzaal was transformed into a new and more modern facility to increase its current production capacity of Cannondale bicycles and e-bikes and allow for an increased focus on premium quality products. All production and supply related departments were merged into the new facility. In addition, the office portion of the Oldenzaal facility as well as CSG's Basel, Switzerland location were closed. Dorel Sports also consolidated its Brazilian operations by merging its Sao Paulo and Atibaia offices to a new facility located in Sao Paulo. This move drove cost reductions and improved communications by combining the engineering and product development teams under one roof.

On November 2, 2020, prior to the opening of the markets, Dorel issued a press release announcing an agreement in principle with a buyer group (the "Buyer Group") led by an affiliate of funds managed by Cerberus Capital Management L.P., a U.S. private equity firm, for the acquisition of all of Dorel's issued and outstanding Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares not owned by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel and certain members of their respective immediate families (collectively, the "Family Shareholders") at a price of CAD $14.50 per share. The Arrangement Agreement and other definitive transaction documents were finalized and executed by the parties thereto on the evening of November 12, 2020, providing for the acquisition by way of a statutory plan of arrangement under the *Business Corporations Act* (Quebec), subject to regulatory, court and shareholder approvals, including approval by a simple majority of the votes cast by shareholders, excluding for such purpose the votes attached to shares owned by the Family Shareholders and other Class "A" Multiple Voting Shares. Dorel issued a press release before the opening of the markets on November 13, 2020 announcing the signing of the Arrangement Agreement.

Subsequent to year-end, on February 1, 2021, Dorel announced that it had entered into an amendment to the Arrangement Agreement under which the Buyer Group agreed to acquire, for an increased purchase price of CAD $16.00 in cash per share, all of Dorel's issued and outstanding Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares, except for shares owned by the Family Shareholders. On February 15, 2021, Dorel announced that the Arrangement Agreement had been terminated by mutual agreement of the parties.

During the first quarter of 2020, global economies and financial markets were significantly impacted by the outbreak of COVID-19 as it quickly spread around the world and which, on March 11, 2020, was declared by the

World Health Organization to be a global pandemic. Government authorities around the world took a variety of actions in an effort to slow the spread of COVID-19, including the closure of non-essential businesses and social distancing. Dorel's three segments were adversely impacted during the first quarter of 2020 due to the closure of certain of their manufacturing facilities and the prolonged closing of stores by many of Dorel's customers around the world, as well as disruptions in their supply chains and reduced workforce productivity due to lockdowns and social distancing requirements. As Dorel continues to navigate through the challenges caused by the COVID-19 pandemic worldwide, its focus remains on closely monitoring its cash position and controlling its spending, while managing inventory levels in line with the unprecedented change in demand behavior since the COVID-19 pandemic started. While some of Dorel's products have been in high demand during the COVID-19 pandemic, sales of other products suffered from lockdowns in many countries. Both Dorel Sports and Dorel Home experienced strong demand beginning in the last two weeks of the first quarter of fiscal 2020, which continued through the end of the year. However, Dorel Juvenile was negatively impacted primarily due to retail store closures. In Dorel Sports, demand for bikes continued to spike, as families sought outdoor activities that are safe and respect social distancing guidelines, and as a way of avoiding public transportation. In Dorel Home, after supply chain interruptions in February 2020 and lower overall retail sales in March 2020, online sales and sales in the brick-and-mortar channel increased in response to consumers' needs during the prolonged stay-at-home period. Dorel Juvenile, sales in the second half of the year were adversely impacted as brick-and-mortar stores remained closed in certain markets while sales through e-commerce were not sufficient to offset these lost sales.

On March 9, 2020, Dorel amended and restated its Revolving Bank Loans and Term Loan to amend the quarterly financial covenants to facilitate their compliance based on quarterly forecasted projections for 2020 at that time. Based on information available at that time, management expected that it would be able to meet its amended quarterly financial covenants for 2020, as it had not seen any significant impact on consumer spending for its products or anticipated any significant disruption in its product supply as a result of COVID-19. However, as the outbreak of COVID- 19 continued to spread around the globe, Dorel's results of operations were adversely affected by supply chain disruptions, reduced workforce productivity and the prolonged closure of stores by many of Dorel's customers. In light of the impact of the COVID-19 pandemic on Dorel's business, financial condition and results of operations, as well as global economies and financial markets, Dorel amended its Senior Unsecured Notes on March 30, 2020, and its Revolving Bank Loans and Term Loan on March 31, 2020, to facilitate compliance with Dorel's financial covenants. These amendments allowed Dorel to increase its liquidity on hand to face the economic downturn caused by the COVID-19 pandemic. Accordingly, at the end of the first quarter of 2020, Dorel increased its debt levels to maintain additional cash on hand and liquidity to meet its obligations during the economic downturn caused by the COVID- 19 pandemic, while at the same time ensuring it remained compliant with its amended borrowing covenant requirements as at March 31, 2020. During the second and third quarters of 2020, unprecedented consumer demand for bikes and home products led to increased sales generating higher cash on hand and thereby improving Dorel's liquidity position. Accordingly, during the second and third quarters of 2020, Dorel was able to reduce its debt levels, thereby significantly reducing leverage as compared to March 31, 2020, when the COVID-19 pandemic began negatively impacting economies on a global scale. As at December 30, 2020, the Company was compliant with all its borrowing covenant requirements. The Revolving Bank Loan and Term Loan were due on July 1, 2021. The Company started the process of refinancing the Revolving Bank Loan and Term Loan with a syndicated asset-based lending facility at market terms.

An impairment loss on goodwill of $43.1 million was recorded during the first quarter of 2020 in connection with the Dorel Juvenile – Europe cash-generating unit ("CGU") due to reduced earnings and cash flows projections, and a higher risk adjusted discount rate, in light of the economic uncertainties caused by the COVID-19 pandemic.

Developments in the Past Three Years

Developments in Fiscal 2021

Income Taxes

On January 26, 2021, the Company announced its intention 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 that one of the Company's wholly owned subsidiaries owed $64.2 million (EUR $54.6 million) in tax including interest. The Company considered that the transfer of assets was not taxable and initiated its appeal process on February 26, 2021.

On October 28, 2021, the Luxembourg Administrative Court confirmed on appeal the previously announced decision of the Luxembourg Administrative Tribunal to the effect that one of Dorel's wholly-owned subsidiaries owed $64.2 million (EUR $54.6 million) in tax including interest. As a result of the judgment of the Luxembourg Administrative Court, the Company recognized an income tax expense of $52.6 million related to this decision in the 2021 consolidated financial statements. In January 2022, the Company paid the remaining cash balance due to the Luxembourg tax authorities.

Sale of Manufacturing Facilities in China

On March 19, 2021, the Company announced that it has entered into an agreement to sell its juvenile products manufacturing facility in Zhongshan, China to Guangdong Roadmate Group Co., Ltd. For gross proceeds of approximately $51.0 million. Dorel will maintain its product sourcing and quality control organizations in China that service all three of Dorel's business segments. The sale transaction does not include Dorel Juvenile's domestic sales operation based in Shanghai that was acquired along with the manufacturing facility in 2014.

On March 31, 2021, Dorel completed the sale of its juvenile products manufacturing facility in Zhongshan, China, for gross proceeds of $51.0 million, which was all received in 2021.

In December 2021, Dorel completed the sale of its remaining juvenile products manufacturing facility in Huangshi, China to Ningbo Xihe Children Products Co, Ltd. for gross proceeds of $4.9 million, of which $4.0 million was received during 2021 and the balance in 2022.

As a result of the sale, Dorel incurred a loss on disposal of its subsidiaries of $8.6 million. The sale of the manufacturing facilities is part of the overall strategic direction of Dorel Juvenile that includes the co-development of innovative new products with a diverse supplier base, of which Roadmate is one. It is expected that Roadmate will continue to be a key supplier from the Zhongshan facility as well as from its existing facilities, also based in Zhongshan.

Senior Secured Asset Based Revolving Credit Facility ("ABL facility")

On June 11, 2021, the Company entered into a two-year $450 million ABL facility with institutional lenders led by Bank of Montreal as lead arranger, administrative agent and sole bookrunner. This ABL facility, which is guaranteed by certain of Dorel's subsidiaries, will mature two years from the date of the initial advance (June 11, 2021) and may be extended for additional one-year terms with the consent of the lenders. For further information concerning the ABL facility refer to Note 18 – Long-term debt in the annual consolidated financial statements for the years ended December 30, 2021, and 2020.

On January 4, 2022, following the sale of its Sports segment, the Company used a portion of the net proceeds received to completely reimburse the balance of the ABL facility (refer to Note 6 – Assets Held for Sale and Discontinued Operation in the annual consolidated financial statements for the years ended December 30, 2021, and 2020 for more details). On January 4, 2022, the Company also amended the ABL facility to reduce the total availability to $300 million.

Definitive Agreement to Sell Dorel Sports

On October 11, 2021, the Company announced that it had entered into a definitive agreement to sell its Sports segment to Pon Holdings B.V. for total consideration of $810.0 million in cash, payable to Dorel at closing. The sale was subject to customary closing conditions, including receipt of applicable regulatory approvals and the absence of any material adverse changes with respect to Dorel Sports until closing. The sale was not subject to any financing conditions. The transaction consisted of the sale by Dorel of 100% of the shares of its indirect wholly owned subsidiary companies comprising its Sports segment as well as certain related assets. Refer to Note 6 – Assets Held for Sale and Discontinued Operation in our annual consolidated financial statements for the years ended December 30, 2021, and 2020 for more details.

On January 4, 2022, the Company completed the sale of the Sports segment for $810 million (subject to post-closing adjustments). Dorel used part of the proceeds for payment of a special dividend of $12.00 per share and to repay long-term debts. The transaction resulted in a gain of $260.7 million reflected in income from discontinued operation, net of tax for the year ended December 30, 2022. Transaction and other costs in the amount of $51.9 million were recognized in the income from discontinued operation for the year ended December 30, 2021.

Acquisition of Notio Living

On November 30, 2021, the Company acquired Notio Living, an e-commerce home furnishings firm based in Holstebro, Denmark, for an amount of $17.0 million (net of assumed debt of $1.5 million), of which $10.9 million was paid at closing and $0.4 million in March 2022. The remaining balance, which is non-interest bearing, will be paid in two equal instalments of $2.8 million in February 2023 and February 2024.

By achieving certain annual earnings before interest, taxes, depreciation and amortization, additional earnouts could be paid in cash during the next two years.

At the acquisition date, the Company recorded an amount of $1.3 million as a contingent consideration liability representing the present value of the expected payout in cash for the earnouts in the next two years. The contingent consideration is required to be remeasured at fair value at each reporting date and subsequent changes to the fair value will be recognized in the consolidated income statements at that time. As at December 30, 2022, the contingent consideration has been remeasured and a gain of $0.3 million on the change in fair value of the contingent consideration has been recorded in finance expenses. The contingent consideration liability is included in Level 3 of the fair value hierarchy. The fair value was determined considering the expected earnout payments, discounted to present value using a risk-adjusted discount rate of 15%.

The acquisition was accounted for using the acquisition method with the results of the operations of Notio Living being included in the consolidated financial statements since the date of acquisition.

Acquisition-related costs of $0.3 million were recognized as an expense within general and administrative expenses in the consolidated income statements within the Home segment for the year ended December 30, 2021.

The fair value of the consideration transferred of $18.2 million was allocated to the following identifiable assets acquired: goodwill for an amount of $4.6 million, customer relationships for an amount of $7.6 million and net working capital for an amount of $6.0 million. The goodwill is attributed to the workforce, know-how and expected supply chain cost synergies and was allocated to the Dorel Home segment. Goodwill and intangible assets are deductible for tax purposes.

COVID-19 update

During the fourth quarter of 2021, global economies and financial markets continued to be impacted by new variants of COVID-19. Government authorities around the world maintained the actions taken since the start of the pandemic in an effort to slowdown the spread of these COVID-19 variants. These actions included measures such as the closure of non-essential businesses, lockdowns and social distancing as countries around the world continue their vaccination campaigns in an effort to reach herd immunity status. Dorel's focus remained to closely monitor its cash position and control its spending, while managing its inventory levels in line with the unprecedented change in demand behavior since the COVID-19 pandemic started. While some of Dorel's products remained in high demand, sales of other products suffered from the lockdown of many countries. Dorel Home continued to experience strong demand in 2021, but not at the unprecedented levels the segment experienced in 2020 when the COVID-19 pandemic started. Dorel Juvenile was negatively impacted in 2020 primarily by retail store closures as some countries entered imposed lockdowns. As countries around the world started easing COVID-19 measures, Dorel Juvenile revenue increased, but did not re-establish its 2019 levels.

Special Dividend

Subsequent to year-end, on January 4, 2022, Dorel announced that, following the closing of the sale of its Sports segment, its Board of Directors declared a special dividend of $12.00 per share on Dorel's outstanding Class "B" Subordinate Voting Shares, Class "A" Multiple Voting Shares, Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units, representing an aggregate amount of approximately $396.6 million. The special dividend declared on the outstanding Class "B" Subordinate Voting Shares and Class "A" Multiple Voting Shares in the amount of $390.6 million was paid on February 1, 2022, to shareholders of record as at the close of business on January 18, 2022. A total of 193,259 Directors' Deferred Share Units and 405,920 Executive Deferred Share Units were issued for dividend equivalents related to the special dividend declared on the deferred share units, representing an aggregate amount of $6.0 million.

Normal Course Issuer Bid ("NCIB")

Subsequent to year-end, on January 4, 2022, Dorel also announced that the Toronto Stock Exchange ("TSX") approved Dorel's NCIB. Under the NCIB, Dorel may purchase for cancellation a maximum of 1,891,222 Class "B" Subordinate Voting Shares, representing 10% of the 18,912,225 Class "B" Subordinate Voting Shares forming the public float. The shares may be purchased through the facilities of the TSX and on alternative trading systems in Canada over the twelve-month period from January 6, 2022, to January 5, 2023, or until such earlier time as the bid is completed or terminated at the option of the Company.

Any shares purchased by Dorel under the NCIB will be at the market price of the shares at the time of such purchases. The actual number of Class "B" Subordinate Voting Shares that may be purchased and the timing of any such purchases will be determined by Dorel. Any purchases made by Dorel pursuant to the NCIB will be made in accordance with the rules and policies of the TSX. During the year ended December 30, 2022, the Company purchased a total of 69,600 Class "B" Subordinate Voting Shares for a total cash consideration of $0.5 million.

Repayment of the Senior Unsecured Notes

On January 4, 2022, following the sale of its Sports segment, the Company used a portion of the proceeds received to completely reimburse the balance of the senior unsecured notes, including a prepayment fee of $6.4 million recognized in finance expenses in 2022.

Developments in Fiscal 2022

ABL facility

On January 4, 2022, following the sale of its Sports segment, the Company amended the ABL facility to reduce the total availability to $300.0 million. On May 3, 2022, the Company amended its ABL facility agreement to extend the term until June 11, 2026. On October 11, 2022, the Company further amended its ABL facility agreement to increase the total availability to $325.9 million. The increased availability began on October 11, 2022, and ends on April 11, 2024.

Debt financing

In October 2022, Dorel concluded the sale of its building in Cornwall, Ontario, the location of a Dorel Home ready-to-assemble manufacturing facility for $33.9 million (CAD $46.1 million) and subsequently entered into a 15-year lease with the new owner, starting November 1, 2022. The Company concluded that the transaction didn't qualify as a sale under IFRS 15, *Revenue from contracts with customers*, and as a result the Company initially recognized a debt financing of $33.9 million for the proceeds received.

Developments in Fiscal 2023

Term loan facility and ABL facility

On December 8, 2023, the Company entered into a new $88 million senior secured term loan credit agreement with a group of lenders led by First Eagle Investments, as lead arranger and sole bookrunner, and administrative agent. The term loan, which is guaranteed by certain of Dorel's subsidiaries, will mature on the earlier of December 8, 2026 and the date on which Dorel's ABL facility matures (scheduled for June 11, 2026 unless extended in accordance with the terms of the related credit agreement).

The amount borrowed bears interest at a variable rate based on the prime rate, plus a margin. The term loan facility is repayable on the last calendar day of each March, June, September and December prior to the maturity date, in an amount equal to 2.50% of the aggregate original principal amount of the loan.

As a result of entering into a new senior secured term loan agreement in the amount of $88.0 million on December 8, 2023, the Company also amended its ABL facility agreement to decrease the total availability to $275.0 million.

2023 Restructuring Plan

In light of the continued uncertainty in the macro-economic environment, including the current high inflation and high interest rate environment, the Company initiated a new restructuring plan in the fourth quarter of 2023. The current environment has limited consumers' purchasing power and forced them to balance household needs and prioritize daily purchases over larger consumer goods items. This is particularly the case in Dorel Home where the furniture industry overall is lower in terms of overall sales but is also impacting Dorel Juvenile where the industry is not growing.

These restructuring initiatives are expected to continue in 2024 as the Company continues to make additional operational improvements and evaluate its cost structure.

Dorel Juvenile

Dorel Juvenile identified opportunities to reduce redundancy and improve efficiencies and also initiated headcount reductions in several divisions in the fourth quarter and therefore incurred $1.6 million of restructuring costs consisting mainly of employee severance and termination benefits.

Dorel Home

Dorel Home's restructuring plan is to simplify its management reporting structure by combining several key management positions leading to the elimination of certain redundant roles. This resulted in the reduction of Dorel Home's overall North American headcount by approximately 5% which will result in improved operational efficiencies, simplified decision-making processes and reduced costs overall.

Restructuring costs for the fourth quarter and year ended December 30, 2023 include $3.0 million of employee severance and termination benefits related to this restructuring program.

COVID-19 and macro-economic conditions

There continues to be uncertainty in the macro-economic environment, including continued inflationary pressures, changes in consumer spending habits, exchange rate fluctuations and high interest rates. These events and conditions are making it difficult to assess the future impact on Dorel's customer base, the end markets we serve as well as the impact on our business, both in the short-term and long-term. Despite these ongoing risks and uncertainties, Dorel's focus remains to closely monitor its cash position and control its spending, while managing its inventory levels in line with the unprecedented change in demand behavior.

In addition, the Russia-Ukraine and Israeli-Hamas wars have created, and are expected to continue to create, further global economic uncertainty. We will continue to monitor the situation closely, but to date we have not experienced any disruptions in our business operations as we do not have significant operations, customers or supplier relationships in Russia, Belarus, Ukraine, or Israel. However, it is difficult to predict the broader impact of the conflicts on global economies going forward and their impact on our business.

DESCRIPTION OF THE BUSINESS

Operating Segments and Principal Products

Within each of the two segments, there are several operating divisions or subsidiaries. Each segment has its own President & CEO and is operated independently by a separate group of managers. Senior management of the Company coordinates the businesses of both segments and maximizes cross-selling, cross-marketing, procurement, and other complementary business opportunities.

Dorel's channels of distribution vary by segment, but overall, its largest customers are major retail chains and Internet retailers. The retail chains include mass merchant discount chains, department stores, club format outlets and hardware/home centers while the Internet retailers consist of both mass merchant sites such as Walmart.com and pure Internet retailers such as Amazon. Within Dorel Juvenile, sales are also made to independent boutiques and juvenile specialty stores. Dorel also owns and operates 94 retail stores in Chile and Peru, as well as factory outlet retail locations in Europe and Brazil.

Dorel conducts its business through a variety of sales and distribution arrangements. These consist of salaried employees; individual agents who carry the Company's products on either an exclusive or non-exclusive basis; individual specialized agents who sell products, including Dorel's, exclusively to one customer such as a major discount chain; and sales agencies which employ their own sales forces.

Both segments market, advertise and promote their products through the use of advertisements online, via social media and on Company-owned websites, in specific magazines, multi-product brochures, and other media outlets. The Company's major retail customers also advertise Dorel's products, online and through circulars and brochures.

Dorel believes that its commitment to provide a high quality, industry-leading level of service has allowed it to develop successful and mutually beneficial relationships with major retailers. A high level of customer satisfaction has been achieved by fostering particularly close contacts between Dorel's sales representatives and clients. Dedicated account teams have been established near certain major accounts to ensure that inventory and supply requirements will be met and that issues will be immediately addressed. E-commerce sales have become significant for both segments and Dorel has established best-in-class capabilities to successfully service this channel.

Dorel is a designer and manufacturer of a wide range of products, as well as an importer of finished goods, most of which are sourced from overseas suppliers. As such, the Company relies on its suppliers for both finished goods and raw materials and has always prided itself on establishing successful long-term relationships both domestically and overseas. The Company has established a workforce in mainland China whose role is to ensure the highest standard of quality of its products and to ensure that the flow of product is not interrupted.

In addition to its solid supply chain, quality products and dedicated customer service, recognized consumer brands are an important element of Dorel's strategy. Maxi-Cosi is recognized around the world as a leading juvenile brand with its origins in car seat safety, since expanded to strollers and home equipment. Safety 1st is also a highly regarded Dorel brand in the North American juvenile products market. In most of Dorel's Latin American markets, Infanti is a leading brand in Dorel Juvenile for lower to medium priced products.

These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories. Product development is a significant element of Dorel's past and future growth. Dorel has invested heavily in this area, focusing on innovation, quality, safety, and speed to market with several design and product development centers.

Operating Segments

The following is a description of Dorel's two operating segments, namely, Dorel Juvenile and Dorel Home.

Dorel Juvenile

Dorel Juvenile manufactures and distributes products such as infant car seats, strollers, home equipment, developmental toys and infant health and safety aids. Globally, within its principal categories, Dorel's combined juvenile operations make it one of the leading juvenile products companies in the world. Innovative products and a strong brand portfolio form an integral part of Dorel Juvenile's business strategy.

Maxi-Cosi, Safety 1st and Tiny Love brands are global brands sold in almost all of Dorel Juvenile's markets. Other brands such as BebeConfort, Cosco, Mother's Choice and Infanti are strong regional brands and Dorel Juvenile is able to address all price points with its range of brands and products. In addition, sales are made under licensed brands such as Disney, principally in North America. Sales are also made to customers under their own unique house brand names. Dorel Juvenile has divisions in North America, Europe, Latin America, China, Israel, Australia, and New Zealand. In total, Dorel Juvenile sells products to over 100 countries around the world.

The head office of Dorel Juvenile U.S. is in Foxboro, Massachusetts. With the exception of car seats, the majority of its products are conceived, designed and developed at the Foxboro location. Manufacturing and warehousing operations are based in Columbus, Indiana where car seat development is centralized at the Company's state-of-the-art Dorel Technical Center for Child Safety. Additional West Coast warehousing is in Ontario, California. Dorel Juvenile Canada's head office is in Toronto, Ontario, with warehousing in Montreal, Quebec, and sells to customers throughout Canada. The principal brand names sold in North America are Safety 1st, Cosco, Maxi-Cosi and Tiny Love.

In North America, the majority of juvenile sales are to larger retailers such as mass merchants, Internet retailers and department stores, where consumers' priorities are design oriented, with a focus on safety and quality at reasonable prices. Dorel is one of several large juvenile products companies servicing the North American market along with Graco (a part of Newell Brands Inc.), Evenflo Company Inc. (a subsidiary of Goodbaby International Holdings Limited), Uppababy, Chicco and Britax. Dorel Juvenile's premium brands and innovative product designs are a focus for sales of medium to higher price points available at smaller boutiques, online and at specialty stores. This North American collection, principally under the Maxi-Cosi brand name, also competes with smaller premium product juvenile companies.

Dorel Juvenile Europe's head office is in Helmond, Netherlands where its major product design facilities are located. Sales operations along with manufacturing and assembly facilities are located in the Netherlands and Portugal. In addition, sales and/or distribution subsidiaries are located in France, Italy, Spain, the United Kingdom, Germany, Belgium, Switzerland and Poland. Europe's principal brand is Maxi-Cosi, complemented by BebeConfort, Safety 1st and Tiny Love for specific channels and product categories.

In Europe, Dorel sells the majority of its products across the mid-level to high-end price points under the Maxi-Cosi brand. With Dorel's well-recognized brand names, superior designs and product quality, most of these sales are to large European juvenile product retail chains, Internet retailers, independent boutiques and specialty stores. Sales made to the mass market channel are principally under the BebeConfort brand and as part of those customers' private label brands. Dorel is one of the leading juvenile products companies in Europe, competing with others such as Britax, Nania (Team-Tex group), Joie Baby, Artsana (Chicco) and Cybex (a subsidiary of Goodbaby International Holdings Limited), as well as several smaller companies.

In Latin America, Dorel Juvenile has operating locations in Brazil, Chile, Peru and Mexico. Dorel Juvenile Brazil, one of the largest juvenile products companies in the country, manufactures car seats locally and imports other juvenile products, such as strollers. The majority of sales are via the e-commerce and specialty store channels. Brands sold in Brazil include local brands Infanti and Voyage, as well as Dorel's international brands such as Safety 1st, Cosco and Maxi-Cosi. Dorel Juvenile Chile is based in Chile and Peru and operates 94 retail locations under the Infanti banner, also the principal Dorel brand sold across multiple products with a focus on opening to mid-price points. Infanti is the dominant retail juvenile chain in the region and sells multiple ranges of juvenile products, including non-Dorel owned brands. Sales are also made via owned e-commerce websites, to major omni-channel retailers and into Bolivia, Argentina, Colombia, Panama, and other Caribbean countries through local distributors.

Dorel Juvenile Australia distributes its products principally under Maxi-Cosi and local brand Mother's Choice and serves Australia and New Zealand with sales to both large retailers and specialty stores. E-commerce is a small but growing channel. Asian markets are serviced via a network of third-party distributors. Tiny Love, based in Tel Aviv, Israel and is recognized as an innovator in the developmental toy category, which comprises products such as activity gyms, mobiles, light gear, and toys designed specifically for babies and toddlers. As one of Dorel's global brands, Tiny Love sells products in approximately 80 countries worldwide, both through Dorel subsidiaries and via a worldwide distributor network.

In 2023, Dorel Juvenile accounted for 60% of Dorel's revenue from continuing operations (52% in 2022).

Dorel Home

Dorel ranks in the top five of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities with the balance through sourcing efforts in Asia. Dorel also ranks number two as manufacturer of RTA furniture in North America. Products are distributed from Dorel's North American manufacturing locations as well as from several distribution facilities.

Dorel Home consists of four operating divisions. They are Ameriwood Home ("Ameriwood"), Cosco Home & Office ("Cosco"), DHP Furniture ("DHP"), and Dorel Home Europe ("Notio Living"). Ameriwood Home specializes in both domestically manufactured and imported RTA furniture and is headquartered in Wright City, Missouri. Ameriwood's manufacturing facilities are located in Tiffin, Ohio and Cornwall, Ontario. Ameriwood designs, manufactures and imports furniture mainly within the home entertainment, bedroom, and home office categories. Cosco is located in Columbus, Indiana and the majority of its sales consist of folding furniture, step stools, hand trucks, specialty ladders and outdoor furniture. DHP is located in Montréal, Québec, and is a leading manufacturer and importer of quality futons, mattresses and bedroom furniture; they also import upholstery, kitchen, nursery, and dining room furniture. DHP was created through the merger of Dorel Home Products and Dorel Living in 2019. Major distribution facilities for all three divisions are located in Québec, California, Michigan and Georgia. Dorel Home Europe is headquartered in Denmark with warehouse and locations in the United Kingdom and Denmark. Dorel Home Europe distributes, primarily through e-commerce channels, an assortment of imported furniture including bedroom, office, upholstered, audio visual, kitchen, living, and dining room furniture in the U.K. and mainland Europe.

Due to overall reduced on-line demand in 2023, along with reduced demand at the big box retailers, Dorel Home's revenue declined by approximately 26.5% compared to 2022. Dorel Home has significant market share within its product categories and has a strong presence in its customer base. Sales are concentrated with Internet retailers, mass merchants, warehouse clubs, home centers and office and electronic superstores. Online sales represent a significant portion of Dorel Home revenue and Dorel Home has made many investments in this channel. Dorel Home markets its products under generic retail house brands as well as under a range of branded products including: Ameriwood, Altra, System Build, DHP, Dorel Fine Furniture, Dorel Living, Signature Sleep, Cosmo Living, Novogratz, Little Seeds, Queer Eye, Cosco, Alphason, Notio and Ren Home.

In 2023, Dorel Home accounted for 40% of Dorel's revenue from continuing operations (48% in 2022).

Distribution

Dorel sells its products primarily to major retail chains and Internet retailers. In 2023, Dorel had sales to the following: mass merchant discount chains; speciality stores; department stores; club format outlets; hardware/home centers; independent stores; and Internet retailers.

Dorel conducts its business through a variety of sales and distribution arrangements. These consist of salaried Dorel employees; individual agents who carry Dorel's products on either an exclusive or non-exclusive basis; individual specialized agents who sell products, including Dorel's, exclusively to one customer such as a major discount chain; and sales agencies which employ their own sales forces.

Major Customers

For the year ended December 30, 2023, two customers each accounted for more than 10% of the Company's revenue, representing an aggregate of 42.2% of Dorel's revenue. In 2022, two customers each accounted for more than 10% of the Company's revenue, at 46.2% of Dorel's revenue. Dorel believes that its commitment to provide a high-quality, industry-leading level of service has allowed it to develop successful and mutually beneficial relationships with major retailers and e-commerce customers. Dorel has achieved high levels of customer satisfaction by fostering particularly close contacts between its sales representatives and clients with the goal of providing its customers with the assurance that inventory and supply requirements will be met and that issues will be immediately addressed.

Foreign Operations

In 2023, 59% of Dorel's sales from continuing operations took place in the United States, 6% in Canada, 22% in Europe, 9% in Latin America, 1% in Asia and 3% elsewhere. The origin of Dorel's sales from continuing operations in 2022 from its various facilities was as follows: United States 63%, Canada 7%, Europe 18%, Latin America 9%, Asia 1% and 2% elsewhere.

Components

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particle board and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, futon frames and covers. These parts are derived from textiles and a wide assortment of metals, plastics, and wood. Dorel's finished goods purchases are largely derived from steel, aluminum, resins, textiles, and wood.

Intangible Properties

Strong consumer brands are an important element of Dorel's strategy. Maxi-Cosi is recognized around the world as a leading juvenile brand with its origins in car seat safety, since expanded to strollers and home equipment. In North America, Safety 1st is a highly regarded Dorel brand in the North American juvenile products market. In most of Dorel's Latin American markets, Infanti is a leading brand for lower to medium priced juvenile products. These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories.

Some of Dorel's intangible assets include trademarks, customer relationships and patents.

Cycles

Though revenue in the operating segments may vary in their seasonality, for the Company as a whole, variations between quarters are not significant.

Competitive Conditions

With regards to Dorel Juvenile, Dorel is one of several large juvenile products companies servicing the North American market along with Graco (a part of Newell Brands Inc.), Evenflo Company Inc. (a subsidiary of Goodbaby International Holdings Limited), Uppababy, Chicco and Britax. In Europe, Dorel is one of the leading juvenile products companies, competing with others such as Britax, Nania (Team-Tex group), Joie Baby, Artsana (Chicco) and Cybex (a subsidiary of Goodbaby International Holdings Limited), as well as several smaller companies. In

Latin America, Dorel is a leading juvenile products company with divisions located in its major markets as opposed to global brand competitors such as Graco, Evenflo, Britax, Peg Perego and Chicco which mostly operate through distributors. There are also several smaller competitors which operate using local brands unique to their markets. In Asia, the market is characterized by many local suppliers as well as most major international juvenile products companies attempting to establish a presence in this growing market. Dorel currently has a small share of the Asian market and is mainly selling product under the international Maxi-Cosi brand. Within its principal categories, Dorel believes that its combined juvenile operations make it one of the leading juvenile products companies in the world.

Dorel Home ranks in the top five of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities with the balance through sourcing efforts in Asia. Dorel is also the number two manufacturer of RTA furniture in North America. Products are distributed from Dorel's North American manufacturing locations as well as from several distribution facilities. Dorel Home's many competitors include Sauder Manufacturing, Southshore Furniture, and Whalen Furniture in the RTA category, Meco in the folding furniture category, Tricam in step stools, Werner in ladders and Zinus in mattresses.

Although the diversity of products and fragmented markets of the home furnishings industry make useful comparisons difficult, Dorel believes that the following table sets out the major competitors for each of its business segments:

Dorel Home		Dorel Juvenile	
Walker Edison	South Shore	Goodbaby International (Evenflo/Cybex/ GB/Urbini)	Newell Brands (Graco/Baby Jogger/Century)
Lifetime	Tricam	Wonderland Nursery Goods (Joie/Nuna)	Kids2 (Summer/BrightStarts/ Baby Einstein)
Classic Brands	Zinus	Britax Romer	Maclaren
Sauder	Werner	Bugaboo	Peg Perego
Meco	Whalen	UppaBaby	Baby Trend
Best Choice Products	Louisville Ladder Group	Tomy (The First Years/Lamaze)	Artsana Group (Chicco/Prenatal/ Neobaby/Recaro)
Other imports from Asia			
		Fisher Price	Munchkin
		Kolcraft	Stokke
		Diono	Team Tex (Nania/Migo)
		SkipHop	Philips (Avent)
		Fridababy	

Product Development

Product development is an important element of Dorel's past and expected future growth. As a growing consumer products company, Dorel has invested heavily in this area, focusing on innovation, quality, safety, and speed to market with several design and product development centers. Both of Dorel's operating segments generally introduces many new products every year. Additionally, quality control is an essential part of Dorel's competitive position. Most products are developed to exclusive specifications and rigid safety standards, particularly in regards to Dorel Juvenile.

North American research and development is done at several locations. With the exception of car seats, the majority of juvenile's products are conceived, designed and developed at Dorel Juvenile U.S.' Foxboro, Massachusetts location. Car seat development is centralized at the Company's state-of-the-art car seat Dorel Technical Center for Child Safety in Columbus, Indiana. Car seat engineering is carried out at Dorel Juvenile U.S.' plant in Columbus, Indiana. This facility includes a 25,000 square foot area with respect to car seats as well as for home furnishings products carried by the Cosco Home & Office division. Furniture products and futons are conceived and developed at a design center at Ameriwood Home's head office in Wright City, Missouri as well as at DHP Furniture in Montréal, Québec. In Europe, development for Dorel Juvenile is carried out in Helmond, the Netherlands.

As new product development is vital to the continued success of Dorel, the Company must make capital investments in research and development, moulds and other machinery, equipment and technology. It is expected that Dorel will invest between $30.0 million and $35.0 million in 2024 to meet its new product development and other growth objectives. The Company expects its existing operations to be able to generate sufficient cash flow to provide for this and other requirements as they arise throughout the year. As part of its capital management strategy to ensure it will have sufficient liquidity to meet its obligations as they become due, Dorel may need to reduce or change the timing of its expected capital investments during 2024.

Environmental Protection

To Dorel's knowledge, both Dorel segments currently operate within existing environmental regulations.

Employees

At the end of fiscal 2023, Dorel had approximately 3,900 full-time employees in 22 countries. Approximately 210 employees are based in Asia, none of whom are unionized. Approximately 1,700 employees are based in North America, of whom approximately 595 are unionized. The unionized North American employees are subject to an aggregate of three collective agreements. Approximately 985 employees are based in Latin America, of whom approximately 605 are unionized, and approximately 935 employees are based in Europe, of whom approximately 55 are unionized. The unionized Latin American employees are subject to an aggregate of six collective agreements while the unionized European employees are subject to an aggregate of two collective agreements. Approximately 70 employees are based in other regions around the world, subject to one collective agreement.

Environmental and Social Initiatives

Dorel's environmental and social initiatives span all divisions and are designed to minimize its environmental impact and address the wellbeing of employees. In addition, the Company has a Code of Conduct to which all suppliers must adhere. Some of our programs include:

Recycling and energy management: Standard practices at Dorel include the recycling of packaging materials such as shrink wrap, cardboard, plastics and styrofoam. High volume scanners in many offices considerably reduce paper usage. Energy management systems for lighting include the use of fluorescents, controls for intensity levels and motion detectors to turn off lights in unoccupied offices and other facilities.

Creating a healthy lifestyle: The link between employee wellbeing and overall corporate success is well-documented. Accordingly, Dorel pursues a number of pro-active initiatives with the goal of creating an environment where employees can continuously monitor their health and make adjustments to become healthier.

Built-in sustainability: The product development process at Dorel anticipates and forestalls environmental impact. The Company's research and development center in Europe is continuously integrating Life Cycle Assessment and ECO-design methodology to increase the environmental benefits of new products.

Company-wide minimization of environmental impact: Dorel is fostering sustainability at its divisions with the long-term view of helping to preserve and improve the environment:

- **Dorel Juvenile USA's** 1.2 million square foot Columbus, Indiana car seat plant is a zero-landfill facility that recycles over 99% of its plastic manufacturing waste and other materials. The remaining 1% is sold to an outside recycler (30 million pounds of plastic used a year). Cooling tower systems in Columbus (for plastic pressers and air compressors) reduce water usage by over 97% or 1.5 million gallons of water per day.
- **Dorel Juvenile USA** provides a comprehensive benefits program with a renewed focus on parental benefits to its employees.
- **Dorel Juvenile Europe's** research and development has begun training programs on Eco-design methods. The goal of this training is to produce the Company's products using new and alternative materials designed to lower the environmental impact of the products.
- **Dorel Juvenile Europe** employs a sustainability strategy that will help develop products and services that work with our consumers' changing lifestyles, align with their values and reduce our environmental footprint. Currently, fabric production has moved to recycled fabrics, part of the production is being returned to Europe in certain brands, and we are encouraging sales of refurbished products on our website. Additional initiatives will continue to be implemented in future years.
- At **Dorel Juvenile USA** and **Cosco Home and Office**, on-site Health and Wellness Centers provide employees with rapid access to a range of services. Additionally, Dorel conducts the American Lung Association's "Freedom From Smoking" program, which produces excellent results with a goal of reducing healthcare costs over the long-term.
- **DHP** holds formal periodic reviews of its policies through an outside firm to chart progress in reducing its carbon footprint; DHP's plant precludes the use of chemicals or the possibility of water contamination in the processing function; its Recycle/Shred initiative significantly reduces landfill use; the facility is FSC (Forest Stewardship Council) certified and audited by QMI (Quality Management Institute). EV charging stations have been in stalled for employee use. Automated lighting exists in all DHP offices and warehouse areas, with a continued conversion to 100% LED lighting.
- **Dorel Home's Cornwall**'s *Factory Master Control* allows individual system use for air, vacuum, and electrical use. A full recycle program is employed for scrap, waste, and dust collection. It is also 100% FSC certified. The **Tiffin** factory uses similar recycling initiatives as well as a package waste reduction program.
- **Dorel Home's** distribution centre in **California** features the use of the Long Beach Ocean Carrier Terminal, the greenest terminal globally, for a growing percentage of imports, maximizes skylights to limit the use of overhead lighting and employs various recycling programs. At the **Georgia DC** there is extensive use of automatic lighting throughout both buildings, a full metal, plastic, and paper sorting and recycling program as well as available charging stations for employee EVs.

Dorel's focus on environmental and social initiatives produces win-win results. The majority of measures taken to protect the environment, conserve energy and to help ensure the wellbeing of employees work in tandem with the overall goal of increasing shareholder value. Accordingly, our commitments in this regard represent an important component of our corporate strategy and our efforts are regularly reviewed.

RISK FACTORS

General Economic Conditions

Over the years, Dorel has experienced several economic downturns and its products have proven to be ones that consumers continue to purchase in varying economic conditions. In 2023, the retail environment could be characterized as challenging in most of the Company's markets, similar to 2022. The dominant share of the market represented by Dorel's retail partners, together with changes in consumer shopping patterns, has contributed to dominant retailers and Internet companies that have strong negotiating power with suppliers. Other trends are for retailers and Internet companies to import products directly from foreign sources and to source and sell products under their own private label brands, typically at lower prices, that compete with Dorel's products. As a result, the majority of the Company's retail chains, and Internet retailers continued to emphasize price competitiveness as their primary focus. To provide these retail partners with value over and above competitive pricing, Dorel continued to invest in new product development and various brand support initiatives. The combination of these market influences has created an intensely competitive environment resulting in downward pricing pressures, the need for powerful brands and the ongoing introduction of innovative new products.

In Dorel Juvenile, Dorel believes that demand generally remains steady as child safety is a constant priority and parents require products that fulfill that need. In Dorel's traditional markets, birth rates are trending lower, meaning newer markets like Latin America and Asia with higher birth rates are being exploited. In recent years, while a trend to less expensive items has emerged for certain consumers, a segment of the market is attracted towards higher-end products, thereby dividing the marketplace into two distinct consumer groups that the segment services with its multiple brand strategy.

In Dorel Home, Dorel concentrates exclusively on value priced items and sells the majority of its products through the mass merchant and Internet sales distribution channels. During difficult economic times, when shopping for furniture, consumers are more likely to shop at the mass merchants, both brick and mortar and online, for reasonably priced items.

Should economic conditions worsen significantly, the competitive environment increase, unemployment rise dramatically, importing tariffs increase substantially or bad weather conditions occur, it could have a negative impact on Dorel as consumer spending would likely be curtailed. In addition, as customers are continuously changing their purchasing preferences and habits, the retail industry is experiencing an increase in the number of retailers filing for bankruptcy protection or announcing liquidation of their inventories in recent years. As customers are increasingly embracing shopping online, further investment in digital capabilities is necessary. However, there can be no assurance that these investments will result in increased sales by the Company through e-commerce. There can be no assurance that the economies in which Dorel operates, taken as a whole, will improve going forward and in the event of a substantial deterioration of these economies, Dorel could be adversely affected.

Product Costs and Supply

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particle board and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, futon frames and covers. These parts are derived from textiles and a wide assortment of metals, plastics, and wood. Dorel's finished goods purchases are largely derived from steel, aluminum, resins, textiles, and wood.

Raw material cost fluctuations were highlighted by a decrease in resin costs in 2023 in both the U.S. and Europe. Particle board prices also decreased in 2023. Crude oil prices are expected to increase slightly in the first half of 2024, while moderating back to current levels during the second half of the year. However, ongoing risks of supply disruptions in the Middle East may cause the potential for prices to be higher than forecasted. U.S. resin prices are expected to remain stable on average during 2024. Particle board prices are expected to further decline in 2024.

Dorel's suppliers of components and finished goods experienced lower input material costs on average in 2023. The Chinese Renminbi ("RMB") depreciated during the second half of 2023. Labour costs in most of China remained stable in 2023, whiles labour rates in the U.S. increased.

In contrast with 2022, container freight costs continued their downward correction in 2023. Current expectations are for container rates to remain volatile in 2024 due to significant challenges resulting from the geopolitical situation impacting global trade. International air freight and domestic trucking rates decreased in 2023 and are expected to remain stable for the first half of 2024, with potential for a slight increase in the second half.

Dorel's level of profitability is impacted by its ability to manage these various input costs and adjust pricing to its customers as required. In addition, Dorel relies on its suppliers to provide quality products on a timely basis and has always prided itself on establishing successful long-term relationships both domestically and overseas. Dorel remains committed to actively working with its supplier base to ensure that the flow of product is not interrupted. Should input costs increase dramatically, major existing vendors be unable to supply Dorel, or the supply chain be disrupted due to international conflicts or public health crises, it could have an adverse effect on Dorel going forward.

Foreign Currency Fluctuations

Dorel uses the US dollar as its reporting currency and is subject to risk due to variations in currency values against the US dollar. Foreign currency risk occurs at two levels: transactional and translational. Transactional currency risk occurs when a given division either incurs costs or generates revenue in a currency other than its own functional currency. The Company's operations that are most affected by transactional currency risk are those that operate in the Euro zone and in Canada. Translational risk occurs upon conversion of non-US functional currency divisions' results to the US dollar for reporting purposes. Dorel's European and Latin American operations are the most significant divisions that do not use the US dollar as their functional currency, and as such translational risk is limited to those operations. The two major functional currencies in Europe are the Euro and Pound Sterling.

Dorel's European, Latin American, and Australian operations are negatively affected by a stronger US dollar as portions of their respective purchases are in that currency, while their revenues are not. Portions of Dorel Juvenile segment's purchases are in US dollars, while its revenues are not. Dorel's Canadian operations within Dorel Home benefit from a stronger US dollar as large portions of its revenue are generated in the United States and the majority of its costs are in Canadian dollars. This situation is mitigated somewhat by Dorel Juvenile Canada's operations that import US dollar denominated goods and sell to Canadian customers.

The Company uses derivatives to hedge against these adverse fluctuations in foreign currency rates. Further details on the Company's hedging strategy can be found in Note 18 of Dorel's consolidated financial statements for the years ended December 30, 2023 and 2022. Significant changes in the value of the US dollar can greatly affect the Company's future earnings.

Concentration of Revenues

For the year ended December 30, 2023, two customers each accounted for more than 10% of the Company's revenue, representing an aggregate of 42.2% of Dorel's revenue. In 2022, two customers each accounted for more than 10% of the Company's revenue, at 46.2% of Dorel's revenue. Dorel does not have long-term contracts with its customers, and as such revenues are dependent upon Dorel's continued ability to deliver attractive products at a reasonable price, combined with high levels of service. There can be no assurance that Dorel will be able to sell to such customers on an economically advantageous basis in the future or that such customers will continue to buy from Dorel.

Customer and Credit Risk

The majority of Dorel's revenue is derived from sales to major retail chains and Internet retailers. The remainder of Dorel's sales are made mostly to specialty juvenile stores. To minimize credit risk, the Company conducts ongoing credit reviews and maintains credit insurance on selected accounts. Should certain of these major retailers have financial difficulty and/or cease operations, there could be a material short-term adverse effect on Dorel's consolidated results of operations. In the long term, Dorel believes that should certain retailers cease to exist, consumers will shop at competitors at which Dorel's products will generally also be sold. However, in the event that some of Dorel's other major customers face financial difficulties and/or cease operations, this could adversely affect Dorel's future earnings. As at December 30, 2023, two customers accounted for 41.7% of Dorel's total trade accounts receivable balance, while in 2022 two customers accounted for 52.4%.

Dorel recognizes an impairment loss allowance for expected credit losses on trade accounts receivable, using a probability-weighted estimate of credit losses. In its assessment, management estimates the expected credit losses based on actual credit loss experience and informed credit assessment, taking into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

Product Liability

As with all manufacturers of products designed for use by consumers, Dorel is subject to numerous product liability claims, particularly in the United States. Dorel makes ongoing efforts to improve quality control and to ensure the safety of its products. Dorel is insured to mitigate its product liability exposure, by the use of both traditional insurance and by the Company's wholly owned subsidiary, DICV, which functions as a captive insurance company, providing a self funded insurance program to mitigate its product liability exposure. No assurance can be given that a judgment will not be rendered against Dorel in an amount exceeding the amount of insurance coverage or in respect of a claim for which Dorel is not insured.

Income Taxes

The Company is subject to income tax in various jurisdictions. The Company's organizational structure and the resulting tax rate are supported by current domestic tax laws in the jurisdictions in which the Company operates and by the interpretation and application of these tax laws. The income tax rate can also be affected by the application of tax treaties between these various jurisdictions. Unanticipated changes to these interpretations and applications of current domestic tax laws, or to the tax rates and treaties, could adversely impact the effective income tax rate of the Company going forward.

The Company is regularly under tax audits by various worldwide tax authorities. Although Dorel believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than the Company's historical tax provisions and accruals. There can be no assurance that the resolution of any tax audits or related litigation will not have an adverse effect on the Company's future earnings.

Product and Brand Development

To support continued revenue growth, the Company must continue to update existing products, design innovative new items, develop strong brands and make significant capital investments. The Company has invested heavily in product development and plans to keep it at the center of its focus. In addition, the Company must continue to maintain, develop and strengthen its end-user brands. Should the Company invest in or design products that are not accepted in the marketplace, or if its products are not brought to market in a timely manner, or in certain cases, fail to be approved by the appropriate regulatory authorities, this could negatively impact future growth.

Regulatory Environment

Dorel operates in certain industries which are highly regulated and as such operates within constraints imposed by various regulatory authorities. In recent years, greater concern regarding product safety has resulted in more onerous regulations being placed on Dorel as well as on its competitors operating in these industries. Dorel has always operated within this environment and has allocated a great deal of resources to meeting these obligations and is therefore well positioned to meet these regulatory requirements. However, any future regulations that would require additional costs could have an adverse effect on Dorel going forward.

International Conflicts

The Russia-Ukraine and Israeli-Hamas wars have created and are expected to continue to create further global economic uncertainty. We will continue to monitor the situation closely, but to date we have not experienced any disruptions in our business operations as we do not have significant operations, customers or supplier relationships in Russia, Belarus, Ukraine, or Israel. However, it is difficult to predict the broader impact of the conflicts on global economies going forward and their impact on our business.

Public Health Crises

Dorel is exposed to risks related to pandemics or epidemics, such as the outbreak of COVID-19 that surfaced in December 2019 and which, on March 11, 2020, was declared to be a global pandemic by the World Health

Organization. However, it is difficult to predict the broader impact of future public health crises on global economies and their impact on Dorel's business.

Liquidity and Access to Capital Resources

Dorel requires continued access to capital to support its activities. In addition, in order to satisfy its financing needs, Dorel relies on long-term and short-term debt, and on cash flows from operations.

Furthermore, any impediments to Dorel's ability to access capital markets, including significant changes in market interest rates, general economic conditions, or the perception in the capital markets of Dorel's financial condition or prospects, could also have a material adverse effect on Dorel's financial condition and results of operations.

Assessing liquidity requires significant judgment and although no assurance can be provided, Dorel does not expect a liquidity problem in the foreseeable future whether from future cash flows from operations or availability under existing and renegotiated banking arrangements. Based on its current liquidity position and its estimated needs for the following year, the Company expects to generate sufficient cash flow, or to have access to additional financing, if necessary. Furthermore, the Company's ability to fund its operations and meet its cash flow requirements is dependent upon the Company's ability to maintain minimum excess availability levels under its ABL facility and term loan facility as one of the financial covenants which the Company is required to adhere to is to maintain a minimum revolving excess availability. The Company shall be in breach of this covenant if both its minimum revolving excess availability and its minimum quarterly projected Earnings before interest, taxes, depreciation, and amortization ("EBITDA") target are not met. This would be considered an event of default under the ABL facility and term loan, that would result in the outstanding balances borrowed under the Company's ABL facility and term loan becoming due immediately. The Company met its specified excess availability levels as at December 30, 2023 and expects to maintain the required minimum revolving excess availability for at least the next twelve months from the date of the annual consolidated financial statements.

Management plans to adhere to the excess availability requirements by actively managing liquidity through the management of both its working capital and discretional spending as well as prioritizing capital expenditures. The Company believes that it will be able to adequately fund its operations and meet its cash flow requirements for at least the next twelve months from the date of issuance of the annual consolidated financial statements.

As a result, the annual consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The annual consolidated financial statements as at and for the year ended December 30, 2023, do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Reliance on Information Technology Systems

Dorel relies extensively on information technology systems, networks, and services, including Internet sites, facilities and tools used for data hosting and processing, other hardware, software, technical applications and platforms, some of which are managed, hosted, provided and/or used by third parties or their vendors, to assist in conducting business.

Dorel's information technology systems may be vulnerable to a variety of sources of failure, interruption, or misuse, including by reason of natural disasters, cyberattacks and cybersecurity threats, network communication failures, computer viruses and other security threats to the confidentiality, availability, and integrity of Dorel's data. Increased information technology security threats and more sophisticated computer crimes have increased in recent years due to the proliferation of new technologies and the increased sophistication of perpetrators of cyberattacks.

Information contained in Dorel's systems includes proprietary or sensitive information on its customers, suppliers, partners, employees, business information, research and development activities and Dorel's intellectual property. Unauthorized third parties may be able to penetrate Dorel's network security and misappropriate or compromise

Dorel's confidential information, deploy viruses, other malware or phishing that would exploit any security vulnerabilities in Dorel's information technology systems, create system disruptions or cause machinery or plant shutdowns. Such attacks could potentially lead to the publication, manipulation or leakage of information, improper use of Dorel's information technology systems, defective products, production downtimes and supply shortages. Dorel's partners and suppliers also face risks of unauthorized access to their information technology systems which may contain Dorel's confidential information.

As techniques used to obtain unauthorized access to information technology systems change frequently and considering the complexity of the threats, as well as the unpredictability of the timing, nature, and scope of disruptions from such threats, Dorel may be unable to anticipate these techniques or implement adequate preventative measures to counter any such unauthorized access to its information technology systems. If an actual or perceived breach of Dorel's security occurs, it could adversely impact Dorel's reputation, which can lead to losing customers and materially impact Dorel's business and earnings.

Remote Work

Dorel has, and will continue to have, a portion of its employee population that works from home full-time or under flexible work arrangements, which exposes the Company to additional cybersecurity risks. Dorel's employees working remotely may expose the Company to cybersecurity risks through: (i) unauthorized access to sensitive information as a result of increased remote access, including employees' use of Company-owned and personal devices and videoconferencing functions and applications to remotely handle, access, discuss, or transmit confidential information, (ii) increased exposure to phishing and other scams as cybercriminals may, among other things, install malicious software on the Company's systems and equipment and access sensitive information, and (iii) violation of international, federal, or state- or province-specific privacy laws. Dorel believes that the increased number of employees working remotely has incrementally increased its cyber risk profile but is unable to predict the extent or impacts of those risks at this time. A significant disruption of the Company's information technology systems, unauthorized access to or loss of confidential information, or legal claims resulting from the Company's violation of privacy laws could each have a material adverse effect on its business.

Intellectual Property

The Company's success with its proprietary products depends, in part, on its ability to protect its current and future technologies and products and to defend its intellectual property rights, including its patent, trade secret and trademark rights. If the Company fails to adequately protect its intellectual property rights, competitors may manufacture and market the same or similar products.

The Company holds numerous design and utility patents covering a wide variety of products. The Company cannot be sure that it will receive patents for any of its innovations or that any existing or future patents that it receives or licenses will provide competitive advantages for its products. The Company also cannot be sure that competitors will not challenge and potentially invalidate any existing or future patents that the Company receives or licenses. In addition, patent rights may not prevent competitors from developing, using or selling products that are similar or functionally equivalent to the Company's products.

Damage to the Company's Reputation

Maintaining the Company's strong reputation with consumers, customers and suppliers worldwide is critical to the Company's continued success. Adverse publicity about the Company, its brands, corporate practices, or any other issue that may be associated with the Company, whether or not deserved, could jeopardize that reputation. Such adverse publicity could come from traditional sources such as government investigations or public or private litigation, but may also arise from negative comments on social media regarding the Company or its brands.

Damage to the Company's reputation or a loss of consumer confidence in the Company's brands could adversely affect the Company's business, results of operations, cash flows and financial condition as well as require resources to repair the harm.

Climate change and focus on sustainability

Certain scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, floods, wildfires and other climatic events. Increased frequency of extreme weather could cause increased incidence of disruption to the production and distribution of Dorel's products. Increasing natural disasters in connection with climate change could also be a direct threat to Dorel's third-party vendors, service providers or other stakeholders, including disruptions of supply chains or information technology or other necessary services for the Company.

Federal, state, provincial and local governments, as well as some of Dorel's customers, are beginning to respond to climate change issues. This increased focus on sustainability is resulting in new legislation, regulations and customer requirements that could negatively affect Dorel, as it may incur additional costs or be required to make changes to its operations in order to comply with any new regulations or customer requirements. Legislation or regulations that potentially impose restrictions, caps, taxes, or other controls on emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels such as those used in the Company's supply chain, could adversely affect the Company's operations and financial results.

DIVIDENDS

On March 14, 2019, Dorel announced that it had adjusted its quarterly dividend from the prior $0.30 per share to $0.15 per share for the upcoming year on each of the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares, Deferred Share Units, cash-settled Performance Share Units and cash-settled Restricted Share Units of the Company. During the first three quarters of 2019, a quarterly dividend of $0.15 per share was declared and paid on the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares, for an aggregate amount of $0.45 per share for the year, or $14.6 million. On September 30, 2019, the Board of Directors suspended the Company's quarterly dividend and no quarterly dividends have been paid since that date. In fiscal 2018 the four quarterly dividends totaled $38.9 million.

On January 4, 2022, Dorel announced that, following the closing of the sale of its Sports segment, Dorel's Board of Directors declared a special dividend of $12.00 per share on Dorel's outstanding Class "B" Subordinate Voting Shares, Class "A" Multiple Voting Shares, Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units, representing an aggregate amount of approximately $390.6 million. The special dividend was paid on February 1, 2022, to shareholders of record as at the close of business on January 18, 2022.

DESCRIPTION OF CAPITAL STRUCTURE

The designation of each class and series of the Company's authorized share capital is as follows:

- An unlimited number of preferred shares without nominal or par value, issuable in series (none of which are outstanding as at the date hereof), with such rights and conditions as may be determined by the Board of Directors of the Company prior to issuance thereof, carrying no voting rights except as prescribed by law, and ranking prior to the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares with respect to the payment of dividends and return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs;

- An unlimited number of Class "A" Multiple Voting Shares (ten votes per share) without nominal or par value, convertible at any time at the option of the holder into Class "B" Subordinate Voting Shares on a one-for-one basis, entitling their holders to participate equally with the holders of the Class "B" Subordinate Voting Shares in respect of payment of dividends, and ranking equally with the Class "B" Subordinate Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs; and

- An unlimited number of Class "B" Subordinate Voting Shares (one vote per share) without nominal or par value, convertible into Class "A" Multiple Voting Shares, under certain circumstances, if an offer is made to purchase the Class "A" Multiple Voting Shares, entitling their holders to participate equally with the holders of the Class "A" Multiple Voting Shares in respect of payment of dividends, and ranking equally with the Class "A" Multiple Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs.

MARKET FOR SECURITIES

Dorel's Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares are listed on the TSX under the symbols DII.A and DII.B, respectively.

The following table provides the price range and volume of shares traded of the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares, respectively, on the TSX for each month of 2023:

	Class "A" Multiple Voting Shares		
	Price Range (in Canadian dollars)		
Month	**Low**	**High**	**Volume Traded**
January	$ 5.55	$ 6.50	2,336
February	$ 4.95	$ 5.84	2,987
March	$ 4.10	$ 5.15	9,714
April	$ 3.70	$ 4.19	4,692
May	$ 4.02	$ 4.50	1,020
June	$ 4.45	$ 5.50	2,016
July	$ 4.95	$ 6.30	3,380
August	$ 5.70	$ 6.08	2,611
September	$ 5.50	$ 6.00	389
October	$ 5.80	$ 5.81	920
November	$ 5.24	$ 5.70	850
December	$ 5.00	$ 6.53	6,373

	Class "B" Subordinate Voting Shares		
	Price Range (in Canadian dollars)		
Month	**Low**	**High**	**Volume Traded**
January	$ 5.08	$ 6.75	1,812,824
February	$ 4.45	$ 5.81	1,287,245
March	$ 3.57	$ 4.83	1,869,879
April	$ 3.20	$ 4.17	1,368,680
May	$ 3.89	$ 4.53	1,789,581
June	$ 4.21	$ 4.91	1,254,655
July	$ 4.54	$ 6.18	382,668
August	$ 5.10	$ 6.07	154,629
September	$ 5.26	$ 5.90	227,575
October	$ 5.40	$ 6.00	132,373
November	$ 4.83	$ 5.78	139,320
December	$ 4.32	$ 6.67	275,977

DIRECTORS AND SENIOR OFFICERS

As at the date of this AIF, the name, province and country of residence, period during which each has served as a director, where applicable, offices held with the Company and principal occupations of each of the directors and senior officers of the Company are as follows:

Name and place of residence	Director since	Offices	Principal occupation
Martin Schwartz .... Québec, Canada	1987	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company
Jeff Segel .... Québec, Canada	1987	Executive Vice-President, Sales and Marketing and Director	Executive Vice-President, Sales and Marketing of the Company
Alan Schwartz...................................... Québec, Canada	1987	Executive Vice-President, Operations and Director	Executive Vice-President, Operations of the Company
Jeffrey Schwartz................................... Ontario, Canada	1987	Executive Vice-President, Chief Financial Officer, Secretary and Director	Executive Vice-President, Chief Financial Officer and Secretary of the Company
Frank Rana .... Québec, Canada	—	Senior Vice-President, Finance and Assistant-Secretary	Senior Vice-President, Finance of the Company
Maurice Tousson(2) .... Ontario, Canada	1995	Co-Chairperson of the Board	Corporate Director
Alain Benedetti, FCPA, ICD.D(1)(2)(3)... Québec, Canada	2004	Director	Corporate Director
Norman M. Steinberg, Ad. E(3)…...… Québec, Canada	2018	Co-Chairperson of the Board	Vice-Chair BFL Canada
Sharon Ranson, FCPA, ICD.D(1)………………………………... Ontario, Canada	2019	Director	President and Founder The Ranson Group Inc.
Brad A. Johnson, CPA(1)(2)(3)…………………………....… Massachusetts, U.S.A.	2019	Director	Assistant Professor of Practice at Babson College

(1) Member of the Audit Committee.
(2) Member of the Human Resources and Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.

During the last five years, the directors and senior officers have been engaged in their respective present principal occupations or in other executive capacities with the companies indicated opposite their respective names with the exception of: Norman M. Steinberg, who was Chair Emeritus of Norton Rose Fulbright Canada from April 2017 to July 2019 and prior thereto, from 2005 to March 2017, Co-Chair and then Chair of Norton Rose Fulbright Canada, as well as Global Chair of Norton Rose Fulbright; and Brad A. Johnson, who was Vice President Operations at Wayfair from July 2010 to January 2018. The term of each of the directors listed above will expire at the next annual meeting of shareholders of the Company.

Beneficial Ownership

As at December 30, 2023, the directors and senior officers beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 4,001,261 Class "A" Multiple Voting Shares, representing 96.7% of the issued and outstanding Class "A" Multiple Voting Shares, and 2,412,189 Class "B" Subordinate Voting Shares, representing 8.5% of the issued and outstanding Class "B" Subordinate Voting Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To Dorel's knowledge, none of the foregoing directors or executive officers of Dorel is as of the date of this AIF, or has been within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

To Dorel's knowledge, other than Sharon Ranson, FCPA, ICD.D, none of the foregoing directors or executive officers of Dorel, or a shareholder holding enough securities of Dorel to affect materially its control:

(a) is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

Sharon Ranson, FCPA, ICD.D was a director of Fire & Flower Holdings Corp. until September 15, 2023. .In June 2023, Fire & Flower Holdings Corp. obtained an order for creditor protection from the Ontario Superior Court of Justice under the *Companies' Creditors Arrangement Act* (Canada).

To Dorel's knowledge, none of the foregoing directors or executive officers of Dorel, or a shareholder holding enough securities of Dorel to affect materially its control, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the normal course of business activities, Dorel is subject to various legal actions. Dorel contests these actions and believes that their resolution will not have a material adverse impact on Dorel's financial condition.

During fiscal 2023, Dorel (i) was not subject to any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority, (ii) was not subject to any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, and (iii) did not enter into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or senior officer of Dorel, and no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Class "A" Multiple Voting Shares or Class "B" Subordinate Voting Shares, and any of their respective associates or affiliates, has or had a material interest, direct or indirect, in any transaction, within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company.

MATERIAL CONTRACTS

Other than as may be set out in this AIF, the Company did not enter into any contract out of the ordinary course of its business during fiscal year 2023.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares of the Company.

NAMES AND INTERESTS OF EXPERTS

The Company's external auditors are KPMG LLP, 600 de Maisonneuve Boulevard West, Suite 1500, Montréal, Québec H3A 0A3, who reported on the 2023 Consolidated Financial Statements, which financial statements have been filed under Québec *Regulation 51-102 respecting Continuous Disclosure Obligations* and National Instrument 51-102 *Continuous Disclosure Obligations*. KPMG LLP is independent in accordance with auditors' rules of professional conduct in Québec.

INFORMATION ON THE AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter sets out the roles and responsibilities of the Audit Committee of the Board of Directors. A copy of the Charter is attached hereto as Schedule B.

Composition of the Audit Committee

The Audit Committee is composed of Sharon Ranson, FCPA, ICD.D, Alain Benedetti, FCPA, ICD.D and Brad A. Johnson, CPA. Each member of the Audit Committee is independent and financially literate within the meaning of Québec *Regulation 52-110 respecting Audit Committees* and National Instrument *52-110 Audit Committees*.

Financial Literacy

Each member of the Audit Committee has a good command of generally accepted accounting principles and has the ability to understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. This section describes at greater length how these members acquired that financial literacy.

Sharon Ranson, FCPA, ICD.D: Ms. Ranson is an experienced corporate director with in-depth financial expertise in accounting, capital markets and investments. She has provided strategic oversight to numerous Boards and Advisory Committees, and has chaired various Board committees including audit, governance, risk, human resources, and compensation. Ms. Ranson is also President and Founder of The Ranson Group Inc., a company offering coaching and leadership work with senior executives. She has extensive experience in the Financial Services industry as a top-ranked Financial Services Analyst and Portfolio Manager. Ms. Ranson is an FCPA, and holds the ICD.D designation. She graduated from Queen's University, Kingston, Ontario, with a Bachelor of Commerce degree and holds an MBA degree from York University, Toronto, Ontario.

Alain Benedetti, FCPA, ICD.D: Mr. Benedetti is the retired Vice-Chairman of Ernst & Young LLP, where he worked for 34 years, most recently as the Canadian area managing partner, overseeing all Canadian operations. Prior thereto, he was the managing partner for eastern Canada and the Montréal office. Mr. Benedetti has extensive experience with both public and private companies having served on numerous public company Boards. A former Chair of the Canadian Institute of Chartered Accountants, Mr. Benedetti has served on the Audit Committee of the Company since 2004 and was its Chair from 2005 to April 1, 2021.

Brad A. Johnson, CPA: Mr. Johnson is currently an Assistant Professor of Practice at Babson College, a private business school in Wellesley, Massachusetts. He has extensive experience in e-commerce and business operations, including Vice President Operations at Wayfair, an online furniture retailer, and Chief Operating Officer of Intrepid Learning Solutions. He is a strategic advisor to Foundry Brands, Stitch Fix, Formio Sequoyah and several other organizations. Mr. Johnson holds an MBA degree from the Darden School of Business of the University of Virginia, a BBA degree from St. Bonaventure University, Allegany, New York, and a CPA designation from the State of New York.

Pre-approval Polices and Procedures for Audit and Non-Audit Services

In 2003, the Audit Committee adopted a policy regarding the breadth of services provided by Dorel's external auditors. This policy prohibits Dorel from hiring external auditors to provide certain non-auditing services. Under certain exceptions, the policy provides that the Company may hire external auditors to provide non-audit services that are not prohibited, on condition that they are pre-approved by the Audit Committee.

External Auditor Service Fees (by Category)

In 2023 and 2022, the Company's auditors were KPMG LLP. The table below represents all fees paid to the Company's auditors for the years ended December 30, 2023 and 2022:

	Years ended December 30	
	2023	**2022**
Audit fees	$ 2,120,000	$ 2,075,000
Audit-related fees	13,000	7,000
Tax fees	117,000	118,000
TOTAL	$ 2,250,000	$ 2,200,000

1. Audit fees were charged for professional services rendered by the auditors for the audit of the Company's annual Consolidated Financial Statements and services provided in connection with certain statutory and regulatory filings or engagements.
2. Audit-related fees were charged for miscellaneous assurance and related services that are reasonably related to the performance of the audit or review of the annual Consolidated Financial Statements and which are not reported as part of audit fees.
3. Tax fees were charged for income tax preparation and compliance services.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, that is not included herein, is contained in the Company's Management Proxy Circular dated April 11, 2023 sent and filed in connection with the Company's annual meeting of shareholders held on May 24, 2023. Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional financial information may be found in the 2023 Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 30, 2023.

Schedule A

Major Companies within Dorel Industries Inc.
as of December 30, 2023

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
North America		
Dorel China America, Inc.	Delaware	100%
Dorel Home Furnishings, Inc.	Delaware	100%
Dorel Home Furnishings, Inc.	Michigan	100%
Dorel Home Furnishings, Inc.	Ohio	100%
Dorel Juvenile Group, Inc.	Massachusetts	100%
DS Canada Limited Partnership	British Columbia	100%
DICV, Inc.	Delaware	100%
Europe		
Alphason Designs Limited	United Kingdom	100%
AMPA 2P SAS	France	100%
BabyArt BVBA	Belgium	100%
Dorel Belgium NV	Belgium	100%
Dorel France Holding SAS	France	100%
Dorel France SASU	France	100%
Dorel Germany GmbH	Germany	100%
Dorel Hispania SA	Spain	100%
Dorel Home Furnishings Europe Limited	United Kingdom	100%
Dorel Italia SpA	Italy	100%
Dorel Juvenile Switzerland SA	Switzerland	100%
Dorel Luxembourg Sàrl	Luxembourg	100%
Dorel Sports Luxembourg Sàrl	Luxembourg	100%
Dorel Polska sp z.o.o.	Poland	100%
Dorel Portugal – Artigos para bébé Unipessoal, Lda	Portugal	100%
Dorel (UK) Limited	United Kingdom	100%
Maxi Miliaan B.V.	The Netherlands	100%
Notio Living A/S	Denmark	100%
Loft24 GmbH	Germany	100%

Schedule A

Major Companies within Dorel Industries Inc.
as of December 30, 2023 (cont'd)

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
Latin America		
Dorel Juvenile Chile S.A.	Chile	70%
Comexa Comercializadora Extranjera SA	Panama	70%
Companhia Dorel Brasil Produtos Infantis	Brazil	100%
DJGM, S.A. de C.V.	Mexico	100%
Dorel Sports Chile S.A.	Chile	70%
Asia		
Ameriwood Home China Co., Ltd.	People's Republic of China	100%
Angel Juvenile Products (Zhongshan) Co., Ltd.	People's Republic of China	100%
Dorel Global (MCO) Limited	Macau	100%
Shanghai Dorel Juvenile Co., Ltd.	People's Republic of China	100%
Tiny Love Ltd.	Israel	100%
Other		
Comexa Distribution Limited	Barbados	70%
Dorel Asia SRL	Barbados	100%
Dorel Australia Pty Ltd	Australia	100%
Dorel Colombian Holdings Limited	Barbados	70%
Dorel International Trade Limited	Barbados	100%
IGC Dorel New Zealand Limited	New Zealand	100%

Schedule B

DOREL INDUSTRIES INC.

AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

The mandate of the Audit Committee ("the Committee") of the Board of Directors of Dorel Industries Inc. ("the Company") assists the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing, and reporting practices of the Company and such other duties as directed by the Board of Directors or imposed by legislative and securities and exchange authorities.

• STRUCTURE AND ORGANIZATION

1. The Committee will be composed solely of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, may interfere with their exercise of independent judgment as a Committee member, all in accordance with applicable securities and exchange regulations.

2. The membership of the Committee will consist of at least three independent members of the Board of Directors. Committee members and the Committee Chairperson shall be designated by and serve at the pleasure of the Board of Directors. All members must be financially literate and at least one member shall be designated as the "financial expert" as defined by applicable legislation and regulation. The Committee shall appoint a Secretary who need not be a director of the Company.

3. The Committee shall meet at least four times per year or more frequently as circumstances require. All Committee members may attend meetings in person or via tele- or video-conference. The Committee may ask members of management, auditors or others to attend the meetings and provide pertinent information as necessary. The required quorum is a simple majority of members.

4. The Committee has the authority to maintain free and open communication with Company officers, employees, internal audit, the external auditors and outside counsel.

5. The Committee has the authority to investigate any matter brought to its attention and to retain independent counsel, accountants, or others for this purpose if, in its judgment, that is appropriate. The Committee further has the authority to set and authorize the compensation for any advisors employed by the Committee.

6. Members of the Audit Committee are prohibited from receiving any payment, either directly or indirectly, from the Company other than for the Board of Directors and its committees membership.

7. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that such services meet the definition pursuant to securities and exchange regulations. Such pre-approval must be presented to the Committee by the respective member at its first scheduled meeting following such pre-approval.

8. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

• GENERAL RESPONSIBILITES

1. Meet periodically with representatives of the external auditors, the Vice-President, Audit & Compliance, and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed privately (in camera) with the Committee. Provide sufficient opportunity for the external auditors to meet with the internal auditor as appropriate without members of the management being present.

2. Submit the minutes of all Committee meetings to the Board of Directors and regularly report to the Board of Directors about Committee activities and issues that arise with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors and the performance of the internal audit function.

3. Review and reassess the adequacy of this Charter annually.

• RESPONSIBILITIES FOR ENGAGING AND MONITORING EXTERNAL AUDITORS

1. Recommend for approval by the Board of Directors and ratification by the shareholders the selection and retention of an independent firm of Chartered Professional Accountants as external auditors, for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services; approve all compensation of the external auditors; and review and approve in advance the discharge of the external auditors.

2. Review the independence of the external auditors. In considering the independence of the external auditors, the Committee will review the nature of the services provided by the external auditors' firm and the fees charged, and such other matters as the Committee deems appropriate.

3. Review services and related fees for work done by the external auditors in the period and newly pre-approved services since the prior meeting as well as an updated projection of the total costs for the fiscal year.

4. Pre-approve all non-audit related services to be provided by the Company's external auditors on a case-by-case basis provided that such services meet the definition pursuant to securities and exchange regulations.

5. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

6. Oversee the rotation of lead, concurring and other external audit partners, to the extent required by securities and exchange regulations.

7. Review at least annually, representations by the external auditors describing their internal quality-control procedures, as well as significant results arising from regulatory and professional quality-control procedures, if any.

8. Review with the external auditors and management the audit plan, including scope and approach, of the external auditors for the current year, including coordination of audit effort with internal audit.

9. Review the performance of the external auditors.

• RESPONSIBILITIES FOR OVERSIGHT OF THE QUALITY AND INTEGRITY OF ACCOUNTING, AUDITING, AND REPORTING PRACTICES OF THE COMPANY

1. Review the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", Annual Information Form and the Management Proxy Circular with management and the external auditors prior to release. The Committee should review each annual and interim profit or loss announcement with management (and the external auditors if desired) prior to release, filing and distribution. These discussions should cover the quality of the financial reporting, and such others matters as the Committee deems appropriate.

2. Review with management and the external auditors the results of the audit, including any difficulties encountered, and management's response and/or action plan related to any Management Letter issued by the external auditors and any significant recommendations contained therein. This will also include a review of any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.

3. Ensure adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in (1), and periodically assess the adequacy of those procedures.

4. Review disclosures made by the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Secretary during the Form 52-109F certification process about significant deficiencies and or material weaknesses in the design or operation of internal controls, or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

5. Review the periodic report of the Company's Disclosure Committee, including the reassessment of its Charter annually.

6. Consider the adequacy and effectiveness of the Company's internal control system, including information technology security and control.

7. Understand the scope of internal audit's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

8. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. Such complaints regarding questionable accounting or auditing matters are to be treated confidentially and anonymously.

9. Review and approve all related party transactions undertaken by the Company.

• **PERIODIC RESPONSIBILITIES**

1. Review with management any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and compliance programs.

2. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

3. Review with the Vice-President, Audit & Compliance the charter, plans, activities, budget, staffing and organizational structure of the internal audit function and its effectiveness. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Vice-President, Audit & Compliance.

4. Discuss with management the Company's major compliance policies with respect to risk assessment and risk management, including but not limited to: Code of Business Conduct, Disclosure Policy, Policy on Financial Reporting, Policy on Whistle blowing, Policy Regarding Procurement of Audit Services and Non Audit Services, Insider Trading and Blackout Periods Policy, Policy Statement on Internal Audit Services, Policy on Incident Reporting, Policy on Hiring of Employees from Independent Auditors, and the Trade Control and Anti-Bribery Policy. Coordinate findings of discussions with the Corporate Governance and Nominating Committee for consideration.

5. Review the process for communicating the Code of Business Conduct to Company personnel, and for monitoring compliance therewith.

6. Institute and oversee any special investigations as needed.

7. Evaluate the Committee's and individual members' performance on a regular basis.

8. Perform such other functions assigned by law, the Company's charter or bylaws, or by the Board of Directors.