



#### DOREL JUVENILE

Maxi-Cosi

Quinny

Tiny Love

Safety 1st

Bébé Confort

Cosco

Infanti

#### DOREL SPORTS

Cannondale

Schwinn

Caloi

GT

Mongoose

KidTrax

#### DOREL HOME

Dorel Home Products

Cosco Home & Office

Ameriwood

Dorel Living

Signature Sleep

Little Seeds

#### EXCHANGES

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## C O M M U N I Q U É

### DOREL REPORTS THIRD QUARTER RESULTS

- **Agreement to sell Dorel Sports unlocks significant shareholder value**
- **All segments adversely affected by supply chain disruptions and higher costs**
- **Results include US\$61.7 million charge related to the unfavourable Luxembourg tax ruling**

**Montréal, November 5, 2021** — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the third quarter and nine months ended September 30, 2021.

“The third quarter was highlighted by the agreement reached to sell Dorel Sports. The transaction has accomplished our major objective of unlocking shareholder value by monetizing Dorel Sports at a time when the demand for bicycles is strong. We will provide further details of the use of net proceeds once the deal closes, which is expected before the end of the first quarter next year. Our focus now is to replicate the success achieved in our sports business at Dorel Home and Dorel Juvenile. To this end, last month we announced initiatives to strengthen Dorel Home with new equipment to facilitate domestic production at our three North American factories, as well as a strategic European acquisition which has a strong ecommerce presence in home furnishings throughout Europe. In the mid-term however, the on-going global supply chain disruptions present challenges to meet the continuing consumer demand for Dorel’s products. This had a negative impact on Dorel Home’s third quarter as well as on Juvenile’s performance, particularly in Europe. These issues will continue in the short-term, but we are actively working on solutions and are confident in our ability to work through them,” stated Dorel President & CEO, Martin Schwartz.

Third quarter revenue from continuing operations, namely Dorel Home and Dorel Juvenile, was US\$437.2 million, down 2.4% from US\$447.8 million last year. Reported net loss from continuing operations was US\$68.0 million or US\$2.09 per diluted share, compared to a reported net income of US\$9.3 million or US\$0.28 per diluted share last year. Adjusted net loss<sup>1</sup> was US\$66.8 million or US\$2.06 per diluted share, compared to an adjusted net income<sup>1</sup> of US\$9.1 million or US\$0.28 per diluted share a year ago.

Included in the results of the quarter is an amount of US\$61.7 million, or US\$1.90 per diluted share to reflect that the Luxembourg Administrative Court has levied a final judgment of €54.6 million (euros) in tax (US\$64.2 million) including interest. As such, Dorel must pay the Luxembourg tax authorities a remaining cash balance of €38.6 million (euros) (US\$45.4 million).

<sup>1</sup> This is a non-GAAP financial measure. Please refer to the “Non-GAAP financial measures” section at the end of this press release.

As previously announced, the litigation related to taxation on the transfer of certain assets in connection with an internal corporate reorganization that took place in 2015. There is no possibility of further reassessments of Dorel by the Luxembourg authorities with respect to this matter.

Nine-month revenue from continuing operations was US\$1.32 billion, an increase of 3.5% compared to US\$1.28 billion last year. Reported net loss year-to-date was US\$82.2 million or US\$2.53 per diluted share, compared to US\$51.4 million or US\$1.58 per diluted share in 2020. Nine-month adjusted net loss<sup>1</sup> was US\$70.8 million or US\$2.18 per diluted share, compared to US\$3.3 million or US\$0.10 per diluted share a year ago.

On October 11, 2021, Dorel announced that it had entered into a definitive agreement to sell its Dorel Sports segment. The transaction is expected to close before the end of the first quarter of 2022. As such, the results of Dorel Sports have been classified as discontinued operation for all periods presented. Including this discontinued operation, third quarter revenue was US\$740.9 million, down 1.7% from US\$753.4 million last year. Reported net loss including discontinued operation was US\$37.0 million or US\$1.14 per diluted share, compared to a reported net income of US\$26.2 million or US\$0.80 per diluted share last year. Adjusted net loss<sup>1</sup> including discontinued operation was US\$99.8 million or US\$3.07 per diluted share, compared to an adjusted net income<sup>1</sup> of US\$28.7 million or US\$0.87 per diluted share a year ago.

Including discontinued operation, nine-month revenue was US\$2.21 billion, an increase of 7.6% compared to US\$2.06 billion last year. Year-to-date reported net loss including discontinued operation was US\$12.0 million or US\$0.37 per diluted share, compared to US\$20.5 million or US\$0.63 per diluted share in 2020. Nine-month adjusted net loss<sup>1</sup> including discontinued operation was US\$64.6 million or US\$1.99 per diluted share, compared to an adjusted net income<sup>1</sup> of US\$30.8 million or US\$0.94 per diluted share a year ago.

| <b>Summary of Financial Information (unaudited)</b>         |             |             |               |
|---|-------------|-------------|---------------|
| Third Quarters Ended September 30,                          |             |             |               |
| All figures in thousands of US \$, except per share amounts |             |             |               |
|   | <b>2021</b> | <b>2020</b> | <b>Change</b> |
|   | <b>\$</b>   | <b>\$</b>   | <b>%</b>      |
| <b>CONTINUING OPERATIONS</b>                                |             |             |               |
| Revenue   | 437,236     | 447,798     | (2.4%)        |
| Net (loss) income   | (68,022)    | 9,284       | N/A           |
| Per share - Basic   | (2.09)      | 0.29        | N/A           |
| Per share - Diluted   | (2.09)      | 0.28        | N/A           |
| Adjusted net (loss) income <sup>1</sup>                     | (66,813)    | 9,114       | N/A           |
| Per share - Basic <sup>1</sup>                              | (2.06)      | 0.28        | N/A           |
| Per share - Diluted <sup>1</sup>                            | (2.06)      | 0.28        | N/A           |
| Number of shares outstanding –                              |             |             |               |
| Basic weighted average                                      | 32,505,121  | 32,488,106  |               |
| Diluted weighted average                                    | 32,505,121  | 32,878,768  |               |

| <b>Summary of Financial Information (unaudited)</b>         |             |             |               |
|---|-------------|-------------|---------------|
| Nine Months Ended September 30,                             |             |             |               |
| All figures in thousands of US \$, except per share amounts |             |             |               |
|   | <b>2021</b> | <b>2020</b> | <b>Change</b> |
|   | <b>\$</b>   | <b>\$</b>   | <b>%</b>      |
| <b>CONTINUING OPERATIONS</b>                                |             |             |               |
| Revenue   | 1,323,436   | 1,278,682   | 3.5%          |
| Net loss  | (82,246)    | (51,433)    | (59.9%)       |
| Per share - Basic   | (2.53)      | (1.58)      | (60.1%)       |
| Per share - Diluted   | (2.53)      | (1.58)      | (60.1%)       |
| Adjusted net loss <sup>1</sup>                              | (70,763)    | (3,293)     | (2,048.9%)    |
| Per share - Basic <sup>1</sup>                              | (2.18)      | (0.10)      | (2,080.0%)    |
| Per share - Diluted <sup>1</sup>                            | (2.18)      | (0.10)      | (2,080.0%)    |
| Number of shares outstanding –                              |             |             |               |
| Basic weighted average                                      | 32,505,121  | 32,487,448  |               |
| Diluted weighted average                                    | 32,505,121  | 32,487,448  |               |

## Dorel Home

All figures in thousands of US \$

| Third Quarters Ended September 30 (unaudited) |         |           |         |           |         |
|---|---------|-----------|---------|-----------|---------|
|   | 2021    |           | 2020    |           | Change  |
|   | \$      | % of rev. | \$      | % of rev. | %       |
| Revenue                                       | 218,127 |           | 242,166 |           | (9.9%)  |
| Gross profit                                  | 23,065  | 10.6%     | 37,117  | 15.3%     | (37.9%) |
| Operating profit                              | 6,814   | 3.1%      | 20,875  | 8.6%      | (67.4%) |

All figures in thousands of US \$

| Nine Months Ended September 30 (unaudited) |         |           |         |           |         |
|--|---------|-----------|---------|-----------|---------|
|  | 2021    |           | 2020    |           | Change  |
|  | \$      | % of rev. | \$      | % of rev. | %       |
| Revenue                                    | 683,604 |           | 700,252 |           | (2.4%)  |
| Gross profit                               | 85,698  | 12.5%     | 96,402  | 13.8%     | (11.1%) |
| Operating profit                           | 35,952  | 5.3%      | 49,773  | 7.1%      | (27.8%) |
| Adjusted gross profit <sup>1</sup>         | 85,698  | 12.5%     | 98,632  | 14.1%     | (13.1%) |
| Adjusted operating profit <sup>1</sup>     | 35,952  | 5.3%      | 52,548  | 7.5%      | (31.6%) |

Revenue for the third quarter was US\$218.1 million, down US\$24.0 million, or 9.9% when compared to the same period a year ago. Dorel Home faced a series of operational challenges during the quarter due to supply chain disruptions and the continuing pandemic. COVID-19 forced the shutdown of several of the segment's suppliers in Southeast Asia and closed important Chinese ports. This combined to cancel or delay shipments which materially limited product availability, thus reducing sales, both on-line and in store. Domestic production was also affected due to a lack of availability of raw materials which affected manufacturing and factory throughput. Many of these issues began to ease in September and continued to improve through October. Branded sales remained positive. Nine-month revenue was US\$683.6 million, a decrease of US\$16.6 million or 2.4%.

Operating and adjusted operating profit<sup>1</sup> for the third quarter was US\$6.8 million compared to US\$20.9 million last year. Higher costs for warehousing, ocean freight, raw materials and overseas finished goods as well as reduced sales volume and product mix hurt margins and were responsible for the decline. Covid-related labour shortages at Dorel Home's distribution centers in the U.S. compounded the problems resulting in additional demurrage charges. Nine-month operating and adjusted operating profit<sup>1</sup> was US\$36.0 million, compared with US\$49.8 million and US\$52.5 million respectively a year ago.

The announced US\$10.0 million equipment investment at Dorel Home's three factories will bring back some production from Asia, helping to offset the industry-wide supply chain risks and will better position the segment for growth with value-added, innovative new products. All equipment should be in operation by the first quarter of next year. The US\$19.0 million acquisition of Danish-based Notio Living, an ecommerce home furnishings firm, provides an important advantage for further European expansion. The combination of Dorel Home's strong portfolio of products and brands with Notio's strong distribution capabilities in mainland Europe is expected to significantly augment Dorel Home's European business. The transaction is expected to close before the end of the year.

## Dorel Juvenile

All figures in thousands of US \$

| Third Quarters Ended September 30 (unaudited) |         |           |         |           |         |
|---|---------|-----------|---------|-----------|---------|
|   | 2021    |           | 2020    |           | Change  |
|   | \$      | % of rev. | \$      | % of rev. | %       |
| Revenue                                       | 219,109 |           | 205,632 |           | 6.6%    |
| Gross profit                                  | 51,154  | 23.3%     | 56,321  | 27.4%     | (9.2%)  |
| Operating profit                              | 2,426   | 1.1%      | 7,633   | 3.7%      | (68.2%) |
| Adjusted operating profit <sup>1</sup>        | 3,816   | 1.7%      | 7,515   | 3.7%      | (49.2%) |

All figures in thousands of US \$

| Nine Months Ended September 30 (unaudited) |         |           |          |           |        |
|--|---------|-----------|----------|-----------|--------|
|  | 2021    |           | 2020     |           | Change |
|  | \$      | % of rev. | \$       | % of rev. | %      |
| Revenue                                    | 639,832 |           | 578,430  |           | 10.6%  |
| Gross profit                               | 160,037 | 25.0%     | 145,024  | 25.1%     | 10.4%  |
| Operating loss                             | (3,053) | (0.5%)    | (39,800) | (6.9%)    | 92.3%  |
| Adjusted gross profit <sup>1</sup>         | 160,037 | 25.0%     | 145,110  | 25.1%     | 10.3%  |
| Adjusted operating profit <sup>1</sup>     | 8,902   | 1.4%      | 6,606    | 1.1%      | 34.8%  |

Third quarter revenue totaled US\$219.1 million, an increase of US\$13.5 million, or 6.6% versus the prior year. After removing the impact of varying exchange rates year-over-year and 2020 third party sales from the Zhongshan, China manufacturing facility, sold at the end of the first quarter of 2021, adjusted organic revenue improved by approximately 9.9%. Dorel Juvenile's markets in the Americas continued their strong sales performance with the U.S., Brazil and Chile all reporting significantly increased revenue. Dorel Juvenile USA increases came principally in mobility categories, under both the Safety 1<sup>st</sup> and Cosco brands, as demand remained strong. Brazil benefitted from its leading position in ecommerce and from the on-going reopening of stores in major cities. In Chile, sales were up substantially as all company owned retail shops were open and government aid stimulated consumption.

Partially offsetting the revenue increases in most Juvenile segment markets were declines in Europe, which was the principal market negatively impacted by supply chain disruptions. Product shortages created out of stock conditions of certain key items. In addition, uncertainty on product availability prevented key activation activities from driving sales. In the quarter it is estimated US\$14 million of lost revenue in Europe can be attributed to product availability issues, having a negative operating profit impact of approximately US\$4 million. Nine-month revenue was US\$639.8 million, up US\$61.4 million or 10.6% from prior year. Adjusted organic revenue improved by approximately 10.9%, after adjusting for foreign exchange rates and the disposition of the Zhongshan factory.

Third quarter operating profit was US\$2.4 million compared with US\$7.6 million a year ago. Excluding restructuring costs, adjusted operating profit<sup>1</sup> was US\$3.8 million, versus US\$7.5 million last year. The main reason for the lower earnings was a decline in gross margins due to higher input costs, principally container freight and resin used in car seat production. Price increases have been implemented in most markets but were not sufficient to fully offset the quarter's higher costs. Year-to-date operating loss was US\$3.1 million compared to US\$39.8 million last year. Nine-month adjusted operating profit<sup>1</sup> was US\$8.9 million compared to US\$6.6 million a year ago.

## Discontinued Operation - Dorel Sports

All figures in thousands of US \$

| Third Quarters Ended September 30 (unaudited) |          |           |         |           |        |
|---|----------|-----------|---------|-----------|--------|
|   | 2021     |           | 2020    |           | Change |
|   | \$       | % of rev. | \$      | % of rev. | %      |
| Revenue                                       | 303,646  |           | 305,621 |           | (0.6%) |
| Gross profit                                  | 67,801   | 22.3%     | 71,638  | 23.4%     | (5.4%) |
| Operating profit                              | 43,071   | 14.2%     | 24,151  | 7.9%      | 78.3%  |
| Adjusted operating (loss) profit <sup>1</sup> | (29,829) | (9.8%)    | 27,751  | 9.1%      | N/A    |

All figures in thousands of US \$

| Nine Months Ended September 30 (unaudited) |         |           |         |           |         |
|--|---------|-----------|---------|-----------|---------|
|  | 2021    |           | 2020    |           | Change  |
|  | \$      | % of rev. | \$      | % of rev. | %       |
| Revenue                                    | 891,296 |           | 779,445 |           | 14.4%   |
| Gross profit                               | 207,388 | 23.3%     | 174,882 | 22.4%     | 18.6%   |
| Operating profit                           | 96,615  | 10.9%     | 50,381  | 6.5%      | 91.8%   |
| Adjusted operating profit <sup>1</sup>     | 23,715  | 2.7%      | 54,371  | 7.0%      | (56.4%) |

Third quarter revenue was US\$303.6 million, a slight decrease of US\$2.0 million, or 0.6% from last year. Excluding the impact of foreign exchange rates, year-over-year organic revenue declined 1.2%. Consumer demand for all bicycles remained high, however supply chain disruptions and a shortage of components impacted sales through the quarter. Year-to-date revenue was US\$891.3 million, up US\$111.9 million or 14.4% from a year ago.

Prior to the reclassification as assets held for sale as at September 30, 2021, the Company concluded that the transaction to sell the Sports segment was an indication that previously recognized impairment losses in the Sports segment may no longer exist or may have decreased. The Company calculated the assets' recoverable amount and therefore recorded a reversal of previously recognized impairment losses on intangibles of US\$72.9 million.

Operating profit for the quarter was US\$43.1 million compared to US\$24.2 million last year. Excluding the reversal of prior year impairment losses on intangibles in the amount of US\$72.9 million, adjusted operating loss<sup>1</sup> was US\$29.8 million compared to an adjusted operating profit<sup>1</sup> of US\$27.8 million. Nine-month operating profit was US\$96.6 million, compared to US\$50.4 million a year ago. Adjusted operating profit<sup>1</sup>, excluding the reversal of prior year impairment losses on intangibles, was US\$23.7 million versus US\$54.4 million the prior year. When also excluding the transaction costs related to the sale of the Sports segment in the amount of US\$51.0 million, the adjusted operating profit<sup>1</sup> for the quarter was US\$21.1 million compared to US\$27.8 million last year and for the nine months, adjusted operating profit<sup>1</sup> was US\$74.7 million versus US\$54.4 million the prior year.

### Other

Finance expenses increased by US\$7.5 million, or 88.9%, to \$16.0 million during the third quarter. The increase is explained by an increase of \$8.5 million in other interest mainly due to the judgment of the Luxembourg Administrative Court, partly offset by a decrease of \$0.4 million in interest on long-term debt due to lower average interest rates on borrowings.

The effective and adjusted tax rates for the third quarter ended September 30, 2021 were primarily impacted by the tax on the transfer of certain assets following the judgment of Luxembourg Administrative Court, the non-recognition of tax benefits

related to tax losses and temporary differences net of the recovery arising from the use of unrecorded tax benefits and the impact of the permanent differences.

Dorel conducted its affairs in a fully transparent and legal manner, acting with the advice of our tax and legal professionals. As this is a final decision of the Court, we will abide by its decision.

## Outlook

“The risks and rising costs associated with the global supply chain disruptions that we identified in our outlook at the end of the second quarter impacted our third quarter performance even more negatively than anticipated. This situation persists. Therefore, our expectations for the fourth quarter are now lower than previously projected,” commented Dorel President & CEO, Martin Schwartz.

“Despite Dorel Home’s disappointing third quarter due to cost and supply challenges, we are currently in a favourable inventory position and we experienced upticks in demand in both September and October. Fourth quarter earnings from operations are expected to improve from the third quarter, but given the higher costs we are experiencing, earnings from operations will not reach last year’s levels. Our gross margins will remain under pressure in the short term as we continue to implement strategic price increases to offset higher costs.

“Dorel Juvenile’s business is performing well in the Americas where sales and earnings are improving. However, the challenges in Europe persist. A large share of our supply is from ports where getting product on carriers is a constant challenge and often at exorbitant prices. While previously we expected this to be a short term issue, it is now a continuing reality. We are reducing our container backlog but this will take time and is at a higher cost. In addition, passing on higher costs to our customers will only begin to materially impact our earnings in 2022. As such in the fourth quarter, the gains in other markets are going to be offset by losses in Europe and we now expect the quarter to be approximately breakeven.

“Finally for Dorel Sports, which we are now classifying as a discontinued operation given its impending sale, it continues to see strong demand and is navigating the same issues as our other segments. The sale process continues to be on track for closure in the first quarter of 2022. I want to take this opportunity to thank the Sports segment employees for their contributions to Dorel and for their on-going support of the sale process,” concluded Mr. Schwartz.

## Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, November 5, 2021 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialing 1-888-440-3307. The conference call can also be accessed via live webcast at <http://www.dorel.com>. If you are unable to call in at this time, you may access a recording of the meeting by calling 1-800-770-2030 and entering the passcode 4231183 on your phone. This recording will be available on Friday, November 5, 2021 as of 4:00 P.M. until 11:59 P.M. on Friday, November 12, 2021.

**Condensed consolidated interim financial statements as at September 30, 2021 will be available on the Company’s website, [www.dorel.com](http://www.dorel.com), and will be available through the SEDAR website.**

## Profile

**Dorel Industries Inc.** (TSX: DII.B, DII.A) is a global organization, operating three distinct businesses in juvenile products, bicycles and home products. Dorel’s strength lies in the diversity, innovation and quality of its products as well as the superiority of its brands. Dorel Juvenile’s powerfully branded products include global brands Maxi-Cosi, Quinny and Tiny Love, complemented by regional brands such as Safety 1st, Béb  Confort, Cosco and Infanti. Dorel Sports brands include Cannondale, Schwinn, GT, Mongoose, Caloi and IronHorse. Dorel Home, with its comprehensive E-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US\$2.8 billion and employs approximately 8,200 people in facilities located in twenty-five countries worldwide.

## Non-GAAP Financial Measures

Dorel is presenting in this press release certain non-GAAP financial measures, as described below. These non-GAAP financial measures do not have a standardized meaning prescribed by International Financial Reporting Standards (IFRS) and therefore are unlikely to be comparable to similar measures presented by other issuers. These non-GAAP financial measures should not be considered in isolation or as a substitute for a measure prepared in accordance with IFRS.

Contained within this press release are reconciliations of the non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with IFRS.

The terms and the definitions of the non-GAAP financial measures contained in this press release are as follows:

### Organic revenue and adjusted organic revenue

|                           |   |
|---------------------------|---|
| Organic revenue:          | Revenue growth compared to the previous period, excluding the impact of varying foreign exchange rates  |
| Adjusted organic revenue: | Revenue growth compared to the previous period, excluding the impact of varying foreign exchange rates and the impact of the sale of the juvenile products manufacturing facility in Zhongshan, China |

Dorel believes that these measures provide investors with a better comparability of its revenue trends by providing revenue growth on a consistent basis between the periods presented.

### Other financial information prepared under IFRS adjusted to exclude impairment loss on goodwill, reversal of prior year impairment losses on intangible assets and restructuring costs

|  |  |
|--|--|
| Adjusted cost of sales:  | Cost of sales excluding restructuring costs  |
| Adjusted gross profit:   | Gross profit excluding restructuring costs   |
| Adjusted operating profit (loss):  | Operating profit (loss) excluding impairment loss on goodwill and restructuring costs  |
| Adjusted income (loss) before income taxes:                                      | Income (loss) before income taxes excluding impairment loss on goodwill and restructuring costs  |
| Adjusted income taxes expense:   | Income taxes expense excluding the tax impact relating to impairment loss on goodwill and restructuring costs  |
| Adjusted tax rate:   | Tax rate excluding the tax impact relating to impairment loss on goodwill and restructuring costs  |
| Adjusted net income (loss) from continuing operations:                           | Net income (loss) from continuing operations excluding impairment loss on goodwill and restructuring costs, net of taxes                                     |
| Adjusted income from discontinued operation, net of tax:                         | Income from discontinued operation excluding reversal of prior year impairment losses on intangible assets and restructuring costs, net of taxes             |
| Adjusted net income (loss):  | Net income (loss) excluding impairment loss on goodwill, reversal of prior year impairment losses on intangible assets and restructuring costs, net of taxes |
| Adjusted earnings (loss) per basic and diluted share:                            | Earnings (loss) per basic and diluted share calculated on the basis of adjusted net income (loss)  |
| Adjusted earnings (loss) from continuing operations per basic and diluted share: | Earnings (loss) from continuing operations per basic and diluted share calculated on the basis of adjusted net income (loss) from continuing operations      |

Dorel believes that the adjusted financial information provides investors with additional information to measure its financial performance by excluding certain items that Dorel believes do not reflect its core business performance and provides better comparability between the periods presented. Accordingly, Dorel believes that the adjusted financial information will assist



investors in analyzing its financial results and performance. The adjusted financial information is also used by management to assess Dorel's financial performance and to make operating and strategic decisions.

### **Caution Regarding Forward-Looking Statements**

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, Dorel does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties, including statements regarding the impact of the COVID-19 pandemic on Dorel's business, financial position and operations, and are based on several assumptions which give rise to the possibility that actual results could differ materially from Dorel's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, Dorel cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits Dorel will derive from them. Forward-looking statements are provided in this press release for the purpose of giving information about management's current expectations and plans and allowing investors and others to get a better understanding of Dorel's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

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

- general economic conditions;
- changes in product costs and supply channels, including disruption of Dorel's supply chain resulting from the COVID-19 pandemic;
- foreign currency fluctuations, including high levels of volatility in foreign currencies with respect to the US dollar reflecting uncertainties related to the COVID-19 pandemic;
- customer and credit risk, including the concentration of revenues with a small number of customers;
- costs associated with product liability;
- changes in income tax legislation or the interpretation or application of those rules;
- the continued ability to develop products and support brand names;
- changes in the regulatory environment;
- outbreak of public health crises, such as the current COVID-19 pandemic, that could adversely affect global economies and financial markets, resulting in an economic downturn which could be for a prolonged period of time and have a material adverse effect on the demand for Dorel's products and on its business, financial condition and results of operations;
- continued access to capital resources, including compliance by Dorel with financial covenants under its senior unsecured notes and with all of the terms and conditions under its ABL facility, and the related costs of borrowing, all of which may be adversely impacted by the COVID-19 pandemic;
- failures related to information technology systems;
- changes in assumptions in the valuation of goodwill and other intangible assets and future decline in market capitalization;
- there being no certainty that Dorel will declare any dividend in the future;
- failure of the parties to obtain the necessary regulatory approval or to otherwise satisfy the conditions for the completion of the Notio Living acquisition, transaction costs and unknown liabilities related to the acquisition;
- approval of the proposed sale of Dorel Sports by applicable governmental authorities, satisfaction or waiver of closing conditions contemplated by the share purchase agreement with Pon Holdings B.V., changes in applicable laws or

regulations, and decisions by Dorel concerning the use of the net proceeds from the proposed sale of Dorel Sports;  
and

- payment to the Luxembourg tax authorities.

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

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

All figures in the tables below are in thousands of US \$, except per share amounts

## CONTINUING OPERATIONS – DISCONTINUED OPERATION

|   | Third Quarters Ended September 30, |                        |            |   |  |            |
|---|------------------------------------|------------------------|------------|---|--|------------|
|   | 2021                               |                        |            | 2020  |  |            |
|   | Continuing operations              | Discontinued operation | Total      | Continuing operations restated <sup>(1)</sup> | Discontinued operation restated <sup>(1)</sup> | Total      |
|   | \$                                 | \$                     | \$         | \$  | \$   | \$         |
| REVENUE   | 437,236                            | 303,646                | 740,882    | 447,798                                       | 305,621  | 753,419    |
| Cost of sales   | 363,017                            | 235,845                | 598,862    | 354,360                                       | 233,983  | 588,343    |
| GROSS PROFIT  | 74,219                             | 67,801                 | 142,020    | 93,438  | 71,638   | 165,076    |
| Selling expenses  | 31,321                             | 23,974                 | 55,295     | 28,249  | 22,189   | 50,438     |
| General and administrative expenses <sup>(2)</sup>            | 31,003                             | 71,675                 | 102,678    | 35,684  | 20,048   | 55,732     |
| Research and development expenses                             | 7,187                              | 1,332                  | 8,519      | 7,448   | 1,605  | 9,053      |
| Impairment (reversal) loss on trade accounts receivable       | (369)                              | 649                    | 280        | 540   | 45   | 585        |
| Restructuring costs   | 1,390                              | -                      | 1,390      | (118)   | 3,600  | 3,482      |
| Reversal of prior year impairment losses on intangible assets | -                                  | (72,900)               | (72,900)   | -   | -  | -          |
| OPERATING PROFIT  | 3,687                              | 43,071                 | 46,758     | 21,635  | 24,151   | 45,786     |
| Finance expenses  | 15,966                             | 2,243                  | 18,209     | 8,453   | 2,449  | 10,902     |
| (LOSS) INCOME BEFORE INCOME TAXES                             | (12,279)                           | 40,828                 | 28,549     | 13,182  | 21,702   | 34,884     |
| Income taxes expense  | 55,743                             | 9,757                  | 65,500     | 3,898   | 4,821  | 8,719      |
| Tax rate  | (454.0)%                           | 23.9%                  | 229.4%     | 29.6%   | 22.2%  | 25.0%      |
| NET (LOSS) INCOME   | (68,022)                           | 31,071                 | (36,951)   | 9,284   | 16,881   | 26,165     |
| (LOSS) EARNINGS PER SHARE                                     |                                    |                        |            |   |  |            |
| Basic   | (2.09)                             | 0.95                   | (1.14)     | 0.29  | 0.52   | 0.81       |
| Diluted   | (2.09)                             | 0.94                   | (1.14)     | 0.28  | 0.51   | 0.80       |
| SHARES OUTSTANDING  |                                    |                        |            |   |  |            |
| Basic - weighted average                                      | 32,505,121                         | 32,505,121             | 32,505,121 | 32,488,106                                    | 32,488,106                                     | 32,488,106 |
| Diluted - weighted average                                    | 32,505,121                         | 33,086,631             | 32,505,121 | 32,878,768                                    | 32,878,768                                     | 32,878,768 |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 5 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

<sup>(2)</sup>General and administrative expenses of discontinued operation for the third quarter ended September 30, 2021 include transaction costs of \$51.0 million.

**Nine Months Ended September 30,**

|   | 2021                  |                        |            | 2020  |  |            |
|---|-----------------------|------------------------|------------|---|--|------------|
|   | Continuing operations | Discontinued operation | Total      | Continuing operations restated <sup>(1)</sup> | Discontinued operation restated <sup>(1)</sup> | Total      |
|   | \$                    | \$                     | \$         | \$  | \$   | \$         |
| REVENUE   | 1,323,436             | 891,296                | 2,214,732  | 1,278,682                                     | 779,445  | 2,058,127  |
| Cost of sales   | 1,077,701             | 683,908                | 1,761,609  | 1,037,256                                     | 604,563  | 1,641,819  |
| GROSS PROFIT  | 245,735               | 207,388                | 453,123    | 241,426                                       | 174,882  | 416,308    |
| Selling expenses  | 93,610                | 69,042                 | 162,652    | 80,307  | 59,558   | 139,865    |
| General and administrative expenses <sup>(2)</sup>            | 106,620               | 111,776                | 218,396    | 94,566  | 52,303   | 146,869    |
| Research and development expenses                             | 22,604                | 3,842                  | 26,446     | 22,480  | 4,107  | 26,587     |
| Impairment loss (reversal) on trade accounts receivable       | 43                    | (987)                  | (944)      | 2,569   | 4,543  | 7,112      |
| Restructuring costs   | 11,955                | -                      | 11,955     | 3,740   | 3,990  | 7,730      |
| Impairment loss on goodwill                                   | -                     | -                      | -          | 43,125  | -  | 43,125     |
| Reversal of prior year impairment losses on intangible assets | -                     | (72,900)               | (72,900)   | -   | -  | -          |
| OPERATING PROFIT (LOSS)                                       | 10,903                | 96,615                 | 107,518    | (5,361)                                       | 50,381   | 45,020     |
| Finance expenses  | 30,193                | 6,264                  | 36,457     | 30,025  | 8,371  | 38,396     |
| (LOSS) INCOME BEFORE INCOME TAXES                             | (19,290)              | 90,351                 | 71,061     | (35,386)                                      | 42,010   | 6,624      |
| Income taxes expense  | 62,956                | 20,091                 | 83,047     | 16,047  | 11,101   | 27,148     |
| Tax rate  | (326.4)%              | 22.2%                  | 116.9%     | (45.3)%                                       | 26.4%  | 409.8%     |
| NET (LOSS) INCOME   | (82,246)              | 70,260                 | (11,986)   | (51,433)                                      | 30,909   | (20,524)   |
| (LOSS) EARNINGS PER SHARE                                     |                       |                        |            |   |  |            |
| Basic   | (2.53)                | 2.16                   | (0.37)     | (1.58)  | 0.95   | (0.63)     |
| Diluted   | (2.53)                | 2.13                   | (0.37)     | (1.58)  | 0.94   | (0.63)     |
| SHARES OUTSTANDING  |                       |                        |            |   |  |            |
| Basic - weighted average                                      | 32,505,121            | 32,505,121             | 32,505,121 | 32,487,448                                    | 32,487,448                                     | 32,487,448 |
| Diluted - weighted average                                    | 32,505,121            | 32,972,567             | 32,505,121 | 32,487,448                                    | 32,885,496                                     | 32,487,448 |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 5 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

<sup>(2)</sup>General and administrative expenses of discontinued operation for the nine months ended September 30, 2021 include transaction costs of \$51.0 million.

## Reconciliation of non-GAAP financial measures

### Organic revenue and adjusted organic revenue:

|  | Third Quarters Ended September 30, |                     |            |       |                |       |
|--|------------------------------------|---------------------|------------|-------|----------------|-------|
|  | Consolidated                       |                     | Dorel Home |       | Dorel Juvenile |       |
|  | 2021                               | 2020 <sup>(1)</sup> | 2021       | 2020  | 2021           | 2020  |
|  | %                                  | %                   | %          | %     | %              | %     |
| Revenue (decline) growth   | (2.4)                              | 2.8                 | (9.9)      | 14.0  | 6.6            | (7.8) |
| Impact of varying foreign exchange rates   | (0.5)                              | 0.4                 | (0.2)      | (0.1) | (1.0)          | 0.7   |
| Organic revenue (decline) growth   | (2.9)                              | 3.2                 | (10.1)     | 13.9  | 5.6            | (7.1) |
| Impact of the sale of the juvenile products manufacturing facility in Zhongshan, China | 1.8                                | -                   | -          | -     | 4.3            | -     |
| Adjusted organic revenue (decline) growth  | (1.1)                              | 3.2                 | (10.1)     | 13.9  | 9.9            | (7.1) |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods.

|  | Nine Months Ended September 30, |                     |            |      |                |        |
|--|---------------------------------|---------------------|------------|------|----------------|--------|
|  | Consolidated                    |                     | Dorel Home |      | Dorel Juvenile |        |
|  | 2021                            | 2020 <sup>(1)</sup> | 2021       | 2020 | 2021           | 2020   |
|  | %                               | %                   | %          | %    | %              | %      |
| Revenue growth (decline)   | 3.5                             | (2.0)               | (2.4)      | 11.0 | 10.6           | (14.3) |
| Impact of varying foreign exchange rates   | (1.4)                           | 1.1                 | (0.2)      | 0.1  | (2.8)          | 2.3    |
| Organic revenue growth (decline)   | 2.1                             | (0.9)               | (2.6)      | 11.1 | 7.8            | (12.0) |
| Impact of the sale of the juvenile products manufacturing facility in Zhongshan, China | 1.3                             | -                   | -          | -    | 3.1            | -      |
| Adjusted organic revenue growth (decline)  | 3.4                             | (0.9)               | (2.6)      | 11.1 | 10.9           | (12.0) |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods.

Other financial information prepared under IFRS adjusted to exclude impairment loss on goodwill, reversal of prior year impairment losses on intangible assets and restructuring costs.

## Dorel Consolidated

| Third Quarters Ended September 30,                          |            |              |   |            |              |                     |              |                     |            |              |
|---|------------|--------------|---|------------|--------------|---------------------|--------------|---------------------|------------|--------------|
|   | 2021       |              |   |            |              | 2020 <sup>(1)</sup> |              |                     |            |              |
|   | Reported   | % of revenue | Reversal of prior year impairment losses on intangible assets and restructuring costs | Adjusted   | % of revenue | Reported            | % of revenue | Restructuring costs | Adjusted   | % of revenue |
|   | \$         | %            | \$  | \$         | %            | \$                  | %            | \$                  | \$         | %            |
| <b>CONTINUING OPERATIONS</b>                                |            |              |   |            |              |                     |              |                     |            |              |
| REVENUE   | 437,236    | 100.0        | -   | 437,236    | 100.0        | 447,798             | 100.0        | -                   | 447,798    | 100.0        |
| Cost of sales   | 363,017    | 83.0         | -   | 363,017    | 83.0         | 354,360             | 79.1         | -                   | 354,360    | 79.1         |
| GROSS PROFIT  | 74,219     | 17.0         | -   | 74,219     | 17.0         | 93,438              | 20.9         | -                   | 93,438     | 20.9         |
| Selling expenses  | 31,321     | 7.2          | -   | 31,321     | 7.2          | 28,249              | 6.3          | -                   | 28,249     | 6.3          |
| General and administrative expenses                         | 31,003     | 7.1          | -   | 31,003     | 7.1          | 35,684              | 8.0          | -                   | 35,684     | 8.0          |
| Research and development expenses                           | 7,187      | 1.6          | -   | 7,187      | 1.6          | 7,448               | 1.7          | -                   | 7,448      | 1.7          |
| Impairment (reversal) loss on trade accounts receivable     | (369)      | (0.1)        | -   | (369)      | (0.1)        | 540                 | 0.1          | -                   | 540        | 0.1          |
| Restructuring costs   | 1,390      | 0.4          | (1,390)   | -          | -            | (118)               | -            | 118                 | -          | -            |
| OPERATING PROFIT  | 3,687      | 0.8          | 1,390   | 5,077      | 1.2          | 21,635              | 4.8          | (118)               | 21,517     | 4.8          |
| Finance expenses  | 15,966     | 3.7          | -   | 15,966     | 3.7          | 8,453               | 1.9          | -                   | 8,453      | 1.9          |
| (LOSS) INCOME BEFORE INCOME TAXES                           | (12,279)   | (2.9)        | 1,390   | (10,889)   | (2.5)        | 13,182              | 2.9          | (118)               | 13,064     | 2.9          |
| Income taxes expense  | 55,743     | 12.7         | 181   | 55,924     | 12.8         | 3,898               | 0.9          | 52                  | 3,950      | 0.9          |
| Tax rate  | (454.0)%   |              |   | (513.6)%   |              | 29.6%               |              |                     | 30.2%      |              |
| Net (loss) income from continuing operations                | (68,022)   | (15.6)       | 1,209   | (66,813)   | (15.3)       | 9,284               | 2.0          | (170)               | 9,114      | 2.0          |
| <b>DISCONTINUED OPERATION</b>                               |            |              |   |            |              |                     |              |                     |            |              |
| Income (loss) from discontinued operation, net of tax       | 31,071     | 7.1          | (64,096)  | (33,025)   | (7.5)        | 16,881              | 3.8          | 2,729               | 19,610     | 4.4          |
| NET (LOSS) INCOME   | (36,951)   | (8.5)        | (62,887)  | (99,838)   | (22.8)       | 26,165              | 5.8          | 2,559               | 28,724     | 6.4          |
| <b>(LOSS) EARNINGS PER SHARE</b>                            |            |              |   |            |              |                     |              |                     |            |              |
| Basic   | (1.14)     |              | (1.93)  | (3.07)     |              | 0.81                |              | 0.07                | 0.88       |              |
| Diluted   | (1.14)     |              | (1.93)  | (3.07)     |              | 0.80                |              | 0.07                | 0.87       |              |
| <b>(LOSS) EARNINGS PER SHARE FROM CONTINUING OPERATIONS</b> |            |              |   |            |              |                     |              |                     |            |              |
| Basic   | (2.09)     |              | 0.03  | (2.06)     |              | 0.29                |              | (0.01)              | 0.28       |              |
| Diluted   | (2.09)     |              | 0.03  | (2.06)     |              | 0.28                |              | -                   | 0.28       |              |
| <b>SHARES OUTSTANDING</b>                                   |            |              |   |            |              |                     |              |                     |            |              |
| Basic - weighted average                                    | 32,505,121 |              | 32,505,121  | 32,488,106 |              | 32,488,106          |              |                     | 32,488,106 |              |
| Diluted - weighted average                                  | 32,505,121 |              | 32,505,121  | 32,878,768 |              | 32,878,768          |              |                     | 32,878,768 |              |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 5 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

Nine Months Ended September 30,

|  | 2021            |              |   |                 |              |                | 2020 <sup>(1)</sup> |   |               |              |  |  |
|--|-----------------|--------------|---|-----------------|--------------|----------------|---------------------|---|---------------|--------------|--|--|
|  | Reported        |              | Reversal of prior year impairment losses on intangible assets and restructuring costs | Adjusted        |              | Reported       |                     | Impairment loss on goodwill and restructuring costs | Adjusted      |              |  |  |
|  | \$              | % of revenue |   | \$              | % of revenue | \$             | % of revenue        |   | \$            | % of revenue |  |  |
| <b>CONTINUING OPERATIONS</b>                     |                 |              |   |                 |              |                |                     |   |               |              |  |  |
| REVENUE  | 1,323,436       | 100.0        | -   | 1,323,436       | 100.0        | 1,278,682      | 100.0               | -   | 1,278,682     | 100.0        |  |  |
| Cost of sales                                    | 1,077,701       | 81.4         | -   | 1,077,701       | 81.4         | 1,037,256      | 81.1                | (2,316)   | 1,034,940     | 80.9         |  |  |
| GROSS PROFIT                                     | 245,735         | 18.6         | -   | 245,735         | 18.6         | 241,426        | 18.9                | 2,316   | 243,742       | 19.1         |  |  |
| Selling expenses                                 | 93,610          | 7.1          | -   | 93,610          | 7.1          | 80,307         | 6.3                 | -   | 80,307        | 6.3          |  |  |
| General and administrative expenses              | 106,620         | 8.1          | -   | 106,620         | 8.1          | 94,566         | 7.4                 | -   | 94,566        | 7.4          |  |  |
| Research and development expenses                | 22,604          | 1.7          | -   | 22,604          | 1.7          | 22,480         | 1.8                 | -   | 22,480        | 1.8          |  |  |
| Impairment loss on trade accounts receivable     | 43              | -            | -   | 43              | -            | 2,569          | 0.2                 | -   | 2,569         | 0.2          |  |  |
| Restructuring costs                              | 11,955          | 0.9          | (11,955)  | -               | -            | 3,740          | 0.3                 | (3,740)   | -             | -            |  |  |
| Impairment loss on goodwill                      | -               | -            | -   | -               | -            | 43,125         | 3.4                 | (43,125)  | -             | -            |  |  |
| OPERATING PROFIT (LOSS)                          | 10,903          | 0.8          | 11,955  | 22,858          | 1.7          | (5,361)        | (0.5)               | 49,181  | 43,820        | 3.4          |  |  |
| Finance expenses                                 | 30,193          | 2.3          | -   | 30,193          | 2.3          | 30,025         | 2.3                 | -   | 30,025        | 2.3          |  |  |
| (LOSS) INCOME BEFORE INCOME TAXES                | (19,290)        | (1.5)        | 11,955  | (7,335)         | (0.6)        | (35,386)       | (2.8)               | 49,181  | 13,795        | 1.1          |  |  |
| Income taxes expense                             | 62,956          | 4.7          | 472   | 63,428          | 4.8          | 16,047         | 1.2                 | 1,041   | 17,088        | 1.3          |  |  |
| <i>Tax rate</i>                                  | <i>(326.4)%</i> |              |   | <i>(864.7)%</i> |              | <i>(45.3)%</i> |                     |   | <i>123.9%</i> |              |  |  |
| Net loss from continuing operations              | (82,246)        | (6.2)        | 11,483  | (70,763)        | (5.4)        | (51,433)       | (4.0)               | 48,140  | (3,293)       | (0.2)        |  |  |
| <b>DISCONTINUED OPERATION</b>                    |                 |              |   |                 |              |                |                     |   |               |              |  |  |
| Income from discontinued operation, net of tax   | 70,260          | 5.3          | (64,096)  | 6,164           | 0.5          | 30,909         | 2.4                 | 3,152   | 34,061        | 2.6          |  |  |
| NET (LOSS) INCOME                                | (11,986)        | (0.9)        | (52,613)  | (64,599)        | (4.9)        | (20,524)       | (1.6)               | 51,292  | 30,768        | 2.4          |  |  |
| <b>(LOSS) EARNINGS PER SHARE</b>                 |                 |              |   |                 |              |                |                     |   |               |              |  |  |
| Basic  | (0.37)          |              | (1.62)  | (1.99)          |              | (0.63)         |                     | 1.58  | 0.95          |              |  |  |
| Diluted  | (0.37)          |              | (1.62)  | (1.99)          |              | (0.63)         |                     | 1.57  | 0.94          |              |  |  |
| <b>LOSS PER SHARE FROM CONTINUING OPERATIONS</b> |                 |              |   |                 |              |                |                     |   |               |              |  |  |
| Basic  | (2.53)          |              | 0.35  | (2.18)          |              | (1.58)         |                     | 1.48  | (0.10)        |              |  |  |
| Diluted  | (2.53)          |              | 0.35  | (2.18)          |              | (1.58)         |                     | 1.48  | (0.10)        |              |  |  |
| <b>SHARES OUTSTANDING</b>                        |                 |              |   |                 |              |                |                     |   |               |              |  |  |
| Basic - weighted average                         | 32,505,121      |              |   | 32,505,121      |              | 32,487,448     |                     |   | 32,487,448    |              |  |  |
| Diluted - weighted average                       | 32,505,121      |              |   | 32,505,121      |              | 32,487,448     |                     |   | 32,885,496    |              |  |  |

<sup>(1)</sup>Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 5 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

## Dorel Home

### Third Quarters Ended September 30,

|  | 2021     |              |                     |          |              | 2020     |              |                     |          |              |
|--|----------|--------------|---------------------|----------|--------------|----------|--------------|---------------------|----------|--------------|
|  | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue |
|  | \$       | %            | \$                  | \$       | %            | \$       | %            | \$                  | \$       | %            |
| REVENUE                                      | 218,127  | 100.0        | -                   | 218,127  | 100.0        | 242,166  | 100.0        | -                   | 242,166  | 100.0        |
| Cost of sales                                | 195,062  | 89.4         | -                   | 195,062  | 89.4         | 205,049  | 84.7         | -                   | 205,049  | 84.7         |
| GROSS PROFIT                                 | 23,065   | 10.6         | -                   | 23,065   | 10.6         | 37,117   | 15.3         | -                   | 37,117   | 15.3         |
| Selling expenses                             | 6,822    | 3.1          | -                   | 6,822    | 3.1          | 5,972    | 2.5          | -                   | 5,972    | 2.5          |
| General and administrative expenses          | 8,083    | 3.8          | -                   | 8,083    | 3.8          | 9,071    | 3.7          | -                   | 9,071    | 3.7          |
| Research and development expenses            | 1,284    | 0.6          | -                   | 1,284    | 0.6          | 1,147    | 0.5          | -                   | 1,147    | 0.5          |
| Impairment loss on trade accounts receivable | 62       | -            | -                   | 62       | -            | 52       | -            | -                   | 52       | -            |
| OPERATING PROFIT                             | 6,814    | 3.1          | -                   | 6,814    | 3.1          | 20,875   | 8.6          | -                   | 20,875   | 8.6          |

### Nine Months Ended September 30,

|  | 2021     |              |                     |          |              | 2020     |              |                     |          |              |
|--|----------|--------------|---------------------|----------|--------------|----------|--------------|---------------------|----------|--------------|
|  | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue |
|  | \$       | %            | \$                  | \$       | %            | \$       | %            | \$                  | \$       | %            |
| REVENUE                                      | 683,604  | 100.0        | -                   | 683,604  | 100.0        | 700,252  | 100.0        | -                   | 700,252  | 100.0        |
| Cost of sales                                | 597,906  | 87.5         | -                   | 597,906  | 87.5         | 603,850  | 86.2         | (2,230)             | 601,620  | 85.9         |
| GROSS PROFIT                                 | 85,698   | 12.5         | -                   | 85,698   | 12.5         | 96,402   | 13.8         | 2,230               | 98,632   | 14.1         |
| Selling expenses                             | 19,672   | 2.9          | -                   | 19,672   | 2.9          | 17,644   | 2.5          | -                   | 17,644   | 2.5          |
| General and administrative expenses          | 26,345   | 3.8          | -                   | 26,345   | 3.8          | 24,767   | 3.5          | -                   | 24,767   | 3.5          |
| Research and development expenses            | 3,618    | 0.5          | -                   | 3,618    | 0.5          | 3,308    | 0.5          | -                   | 3,308    | 0.5          |
| Impairment loss on trade accounts receivable | 111      | -            | -                   | 111      | -            | 365      | 0.1          | -                   | 365      | 0.1          |
| Restructuring costs                          | -        | -            | -                   | -        | -            | 545      | 0.1          | (545)               | -        | -            |
| OPERATING PROFIT                             | 35,952   | 5.3          | -                   | 35,952   | 5.3          | 49,773   | 7.1          | 2,775               | 52,548   | 7.5          |



## Dorel Juvenile

### Third Quarters Ended September 30,

|   | 2021     |              |                     |          |              | 2020     |              |                     |          |              |
|---|----------|--------------|---------------------|----------|--------------|----------|--------------|---------------------|----------|--------------|
|   | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue |
|   | \$       | %            | \$                  | \$       | %            | \$       | %            | \$                  | \$       | %            |
| REVENUE   | 219,109  | 100.0        | -                   | 219,109  | 100.0        | 205,632  | 100.0        | -                   | 205,632  | 100.0        |
| Cost of sales   | 167,955  | 76.7         | -                   | 167,955  | 76.7         | 149,311  | 72.6         | -                   | 149,311  | 72.6         |
| GROSS PROFIT  | 51,154   | 23.3         | -                   | 51,154   | 23.3         | 56,321   | 27.4         | -                   | 56,321   | 27.4         |
| Selling expenses  | 24,326   | 11.1         | -                   | 24,326   | 11.1         | 22,257   | 10.8         | -                   | 22,257   | 10.8         |
| General and administrative expenses                     | 17,540   | 8.0          | -                   | 17,540   | 8.0          | 19,760   | 9.6          | -                   | 19,760   | 9.6          |
| Research and development expenses                       | 5,903    | 2.7          | -                   | 5,903    | 2.7          | 6,301    | 3.1          | -                   | 6,301    | 3.1          |
| Impairment (reversal) loss on trade accounts receivable | (431)    | (0.2)        | -                   | (431)    | (0.2)        | 488      | 0.2          | -                   | 488      | 0.2          |
| Restructuring costs                                     | 1,390    | 0.6          | (1,390)             | -        | -            | (118)    | -            | 118                 | -        | -            |
| OPERATING PROFIT  | 2,426    | 1.1          | 1,390               | 3,816    | 1.7          | 7,633    | 3.7          | (118)               | 7,515    | 3.7          |

### Nine Months Ended September 30,

|   | 2021     |              |                     |          |              | 2020     |              |   |          |              |
|---|----------|--------------|---------------------|----------|--------------|----------|--------------|---|----------|--------------|
|   | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue | Reported | % of revenue | Impairment loss on goodwill and restructuring costs | Adjusted | % of revenue |
|   | \$       | %            | \$                  | \$       | %            | \$       | %            | \$  | \$       | %            |
| REVENUE   | 639,832  | 100.0        | -                   | 639,832  | 100.0        | 578,430  | 100.0        | -   | 578,430  | 100.0        |
| Cost of sales   | 479,795  | 75.0         | -                   | 479,795  | 75.0         | 433,406  | 74.9         | (86)  | 433,320  | 74.9         |
| GROSS PROFIT  | 160,037  | 25.0         | -                   | 160,037  | 25.0         | 145,024  | 25.1         | 86  | 145,110  | 25.1         |
| Selling expenses  | 73,439   | 11.5         | -                   | 73,439   | 11.5         | 62,544   | 10.8         | -   | 62,544   | 10.8         |
| General and administrative expenses                     | 58,778   | 9.1          | -                   | 58,778   | 9.1          | 54,584   | 9.5          | -   | 54,584   | 9.5          |
| Research and development expenses                       | 18,986   | 3.0          | -                   | 18,986   | 3.0          | 19,172   | 3.3          | -   | 19,172   | 3.3          |
| Impairment (reversal) loss on trade accounts receivable | (68)     | -            | -                   | (68)     | -            | 2,204    | 0.4          | -   | 2,204    | 0.4          |
| Restructuring costs                                     | 11,955   | 1.9          | (11,955)            | -        | -            | 3,195    | 0.5          | (3,195)   | -        | -            |
| Impairment loss on goodwill                             | -        | -            | -                   | -        | -            | 43,125   | 7.5          | (43,125)  | -        | -            |
| OPERATING (LOSS) PROFIT                                 | (3,053)  | (0.5)        | 11,955              | 8,902    | 1.4          | (39,800) | (6.9)        | 46,406  | 6,606    | 1.1          |

## Discontinued operation – Dorel Sports

| Third Quarters Ended September 30,                            |          |              |   |          |              |          |              |                     |          |              |
|---|----------|--------------|---|----------|--------------|----------|--------------|---------------------|----------|--------------|
|   | 2021     |              |   |          |              | 2020     |              |                     |          |              |
|   | Reported | % of revenue | Reversal of prior year impairment losses on intangible assets | Adjusted | % of revenue | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue |
|   | \$       | %            | \$  | \$       | %            | \$       | %            | \$                  | \$       | %            |
| REVENUE   | 303,646  | 100.0        | -   | 303,646  | 100.0        | 305,621  | 100.0        | -                   | 305,621  | 100.0        |
| Cost of sales   | 235,845  | 77.7         | -   | 235,845  | 77.7         | 233,983  | 76.6         | -                   | 233,983  | 76.6         |
| GROSS PROFIT  | 67,801   | 22.3         | -   | 67,801   | 22.3         | 71,638   | 23.4         | -                   | 71,638   | 23.4         |
| Selling expenses  | 23,974   | 7.9          | -   | 23,974   | 7.9          | 22,189   | 7.3          | -                   | 22,189   | 7.3          |
| General and administrative expenses <sup>(1)</sup>            | 71,675   | 23.6         | -   | 71,675   | 23.6         | 20,048   | 6.5          | -                   | 20,048   | 6.5          |
| Research and development expenses                             | 1,332    | 0.4          | -   | 1,332    | 0.4          | 1,605    | 0.5          | -                   | 1,605    | 0.5          |
| Impairment loss on trade accounts receivable                  | 649      | 0.2          | -   | 649      | 0.2          | 45       | -            | -                   | 45       | -            |
| Restructuring costs   | -        | -            | -   | -        | -            | 3,600    | 1.2          | (3,600)             | -        | -            |
| Reversal of prior year impairment losses on intangible assets | (72,900) | (24.0)       | 72,900  | -        | -            | -        | -            | -                   | -        | -            |
| OPERATING PROFIT (LOSS)                                       | 43,071   | 14.2         | (72,900)  | (29,829) | (9.8)        | 24,151   | 7.9          | 3,600               | 27,751   | 9.1          |

<sup>(1)</sup>The three months ended September 30, 2021 general and administrative expenses include transaction costs related to the sale of the Sports segment of \$51.0 million.

| Nine Months Ended September 30,                               |          |              |   |          |              |          |              |                     |          |              |
|---|----------|--------------|---|----------|--------------|----------|--------------|---------------------|----------|--------------|
|   | 2021     |              |   |          |              | 2020     |              |                     |          |              |
|   | Reported | % of revenue | Reversal of prior year impairment losses on intangible assets | Adjusted | % of revenue | Reported | % of revenue | Restructuring costs | Adjusted | % of revenue |
|   | \$       | %            | \$  | \$       | %            | \$       | %            | \$                  | \$       | %            |
| REVENUE   | 891,296  | 100.0        | -   | 891,296  | 100.0        | 779,445  | 100.0        | -                   | 779,445  | 100.0        |
| Cost of sales   | 683,908  | 76.7         | -   | 683,908  | 76.7         | 604,563  | 77.6         | -                   | 604,563  | 77.6         |
| GROSS PROFIT  | 207,388  | 23.3         | -   | 207,388  | 23.3         | 174,882  | 22.4         | -                   | 174,882  | 22.4         |
| Selling expenses  | 69,042   | 7.7          | -   | 69,042   | 7.7          | 59,558   | 7.5          | -                   | 59,558   | 7.5          |
| General and administrative expenses <sup>(1)</sup>            | 111,776  | 12.6         | -   | 111,776  | 12.6         | 52,303   | 6.8          | -                   | 52,303   | 6.8          |
| Research and development expenses                             | 3,842    | 0.4          | -   | 3,842    | 0.4          | 4,107    | 0.5          | -                   | 4,107    | 0.5          |
| Impairment (reversal) loss on trade accounts receivable       | (987)    | (0.1)        | -   | (987)    | (0.1)        | 4,543    | 0.6          | -                   | 4,543    | 0.6          |
| Restructuring costs   | -        | -            | -   | -        | -            | 3,990    | 0.5          | (3,990)             | -        | -            |
| Reversal of prior year impairment losses on intangible assets | (72,900) | (8.2)        | 72,900  | -        | -            | -        | -            | -                   | -        | -            |
| OPERATING PROFIT  | 96,615   | 10.9         | (72,900)  | 23,715   | 2.7          | 50,381   | 6.5          | 3,990               | 54,371   | 7.0          |

<sup>(1)</sup>The nine months ended September 30, 2021 general and administrative expenses include transaction costs related to the sale of the Sports segment of \$51.0 million.