



DOREL JUVENILE

Maxi-Cosi

Quinny

Tiny Love

Safety 1st

Bébé Confort

Cosco

Infanti

DOREL HOME

Dorel Home Products

Cosco Home & Office

Ameriwood

Dorel Living

Signature Sleep

Little Seeds

EXCHANGES

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DOREL COMPLETES SALE OF SPORTS SEGMENT TO PON HOLDINGS FOR US \$810 MILLION AND DECLARES SPECIAL DIVIDEND OF US \$12.00 PER SHARE

- Special dividend will return US \$390 million to Dorel shareholders
- Dorel to implement normal course issuer bid for a maximum of 1,891,222 Class B Subordinate Voting Shares

Montreal, Quebec, January 4, 2022---Dorel Industries Inc. (TSX: DII.B, DII.A) today announced that it has completed the previously-announced sale of Dorel Sports, its bicycle segment, to Pon Holdings B.V., a Dutch mobility group, for US \$810 million, representing approximately CAD \$1.03 billion. At closing, Dorel received net proceeds from the sale of approximately US \$735 million, which Dorel will use for payment of a special dividend of US \$12.00 per share described below and to reduce indebtedness. The transaction consisted of the sale by Dorel of 100% of the shares of its indirect wholly-owned subsidiary companies comprising Dorel Sports as well as certain related assets.

“We are very pleased to have completed the sale of Dorel Sports to a great company like Pon. On behalf of the Board of Directors, I again thank the Dorel Sports team for their commitment to Dorel and their great achievements,” said Martin Schwartz, Dorel President and CEO. “We believe that with this sale, Dorel has realized full value for Dorel Sports, for the benefit of Dorel and our shareholders,” Mr. Schwartz added.

Special Dividend

Dorel also announced that its Board of Directors has declared a special dividend of US \$12.00 per share on Dorel’s outstanding Class B Subordinate Voting Shares (“Class B Shares”) and Class A Multiple Voting Shares (“Class A Shares”), representing an aggregate amount of approximately US \$390 million. The special dividend will be payable on February 1, 2022 to shareholders of record as at the close of business on January 18, 2022. The full amount of the special dividend is designated as an eligible dividend for purposes of section 89(1) of the *Income Tax Act* (Canada).

“The declaration of the special dividend is consistent with Dorel’s commitment to return value to our shareholders. After consulting with Dorel’s financial advisors, the Board of Directors has decided to use the net proceeds from the sale of Dorel Sports to pay the special dividend and to reduce Dorel’s indebtedness. We believe that the result will be both value for our shareholders and a stronger balance sheet for Dorel going forward,” said Martin Schwartz.

The Toronto Stock Exchange (“TSX”) has determined to implement its “due bill” trading procedures with respect to Dorel’s special dividend of US \$12.00 per share. Due bills are entitlements which attach to listed securities undergoing certain material corporate events, including a cash dividend in an amount equal to or greater than 25% of the market value of the underlying listed securities. In the case of Dorel’s special dividend, due bills represent entitlement to the cash amount of US \$12.00 per share.

For trading purposes, due bills will attach to Dorel’s Class B Shares and Class A Shares from the opening of business on Monday, January 17, 2022, being the first trading day prior to the record date of Tuesday, January 18, 2022, until the payment date of Tuesday, February 1, 2022, inclusively, so that Dorel’s shares will carry the value of the special dividend until the dividend has been paid. Dorel’s Class B Shares and Class A Shares will commence trading on an “ex-dividend” basis on Wednesday, February 2, 2022, as of which date purchasers of the shares will no longer have an attaching entitlement to payment of the special dividend. The due bill redemption date will be February 3, 2022.

Dorel to Launch Normal Course Issuer Bid

Dorel also announced that the TSX has approved Dorel’s normal course issuer bid (“NCIB”). Under the NCIB, Dorel may purchase for cancellation a maximum of 1,891,222 Class B Shares, representing 10% of the 18,912,225 Class B 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. As of December 24, 2021, Dorel had 28,359,191 Class B Shares issued and outstanding.

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 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 six months ended November 30, 2021, the average daily trading volume for Dorel’s Class B Shares on the TSX was 111,724 shares. Consequently, under the policies of the TSX, Dorel will have the right to repurchase during any one trading day a maximum of 27,931 Class B Shares, representing 25% of the average daily trading volume. In addition, Dorel may make, once per calendar week, a block purchase (as such term is defined in the TSX Company Manual) of shares not directly or indirectly owned by insiders of Dorel, in accordance with the policies of the TSX. Dorel has not repurchased any Class B Shares during the last twelve months.

The Board of Directors of Dorel believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of Dorel’s financial resources, as such action can protect and enhance shareholder value when opportunities arise.

To the knowledge of Dorel, no director or senior officer and no person acting jointly or in concert with Dorel currently intends to sell shares during the NCIB. However, sales by such persons through the facilities of the TSX may occur if any such person makes a decision unrelated to the NCIB. The benefits to any such person whose shares are purchased would be the same as the benefits available to all other shareholders whose shares are purchased under the NCIB.

In connection with the NCIB, Dorel has entered into an automatic share purchase plan with BMO Nesbitt Burns Inc. in order to allow for purchases under the NCIB during Dorel’s “black-out” periods, as permitted by the TSX Company Manual and the Securities Act (Québec).

Advisors

Baird Global Investment Banking and BMO Capital Markets acted as financial advisors and Fasken Martineau DuMoulin LLP as legal counsel to Dorel, and Lazard acted as financial advisor and Goodmans LLP as legal advisor to Pon in connection with the sale of Dorel Sports.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization, operating two distinct businesses in juvenile products and home products. Dorel's strength lies in the diversity, innovation and quality of its products as well as the superiority of its brands. Dorel Juvenile's powerfully branded products include global brands Maxi-Cosi, Quinny and Tiny Love, complemented by regional brands such as Safety 1st, Béb  Confort, Cosco and Infanti. Dorel Home, with its comprehensive e-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US\$2.8 billion and employs approximately 6,600 people in facilities located in twenty-two countries worldwide.

Caution Regarding Forward-Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities laws, including, without limitation, statements regarding the use of the net proceeds from the sale of Dorel Sports to Pon Holdings B.V., in particular the reduction of Dorel's indebtedness and the declaration and payment of the special dividend referred to above. Such forward-looking statements are subject to important risks and uncertainties including, without limitation, changes in applicable laws or regulations, and decisions by Dorel concerning the use of the net proceeds from the sale of Dorel Sports. Accordingly, there can be no assurance as to the use of the net proceeds, including return of capital to shareholders, from the sale of Dorel Sports, nor can there be any assurance as to the benefits that Dorel will derive from the sale. 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.