

LEON'S FURNITURE LIMITED ANNOUNCES PRELIMINARY RESULTS OF ITS SUBSTANTIAL ISSUER BID

TORONTO, Dec. 31, 2021 /CNW/ - Leon's Furniture Limited (TSX: LNF) ("**LFL**", or the "**Company**") announced today the preliminary results of its "modified Dutch auction" substantial issuer bid to purchase (the "**Offer**") for cancellation up to \$200,000,000 of its common shares (the "**Common Shares**") from holders of Common Shares ("**Shareholders**") for cash. The Offer expired at 5:00 p.m. (Eastern time) on December 30, 2021.

Based on the preliminary count by the TSX Trust Company, as depositary for the Offer, the Company expects to take up and pay for approximately 8,000,000 Common Shares at a price of \$25.00 per Common Share under the Offer, representing an aggregate purchase price of approximately \$200,000,000 and 10.4% of the total number of the Company's issued and outstanding Common Shares before giving effect to the Offer. After giving effect to the Offer, LFL expects to have 68,793,896 Common Shares issued and outstanding.

An aggregate of approximately 9,813,872 Common Shares were validly tendered and not withdrawn pursuant to auction tenders at or below the purchase price and purchase price tenders. Since the Offer was oversubscribed, Shareholders who made auction tenders at or below the purchase price and purchase price tenders will have the number of Common Shares purchased prorated following the determination of the final results of the Offer (other than "odd lot" tenders, which are not subject to proration). LFL currently expects that Shareholders who made auction tenders at or below the purchase price and purchase price tenders will have approximately 81.5% of their successfully tendered Common Shares purchased by the Company.

The number of Common Shares to be purchased, the proration factor and the purchase price under the Offer are preliminary. Final results will be determined subject to confirmation by the depositary of the proper delivery of the Common Shares validly tendered and not withdrawn. Upon take up and payment of the Common Shares purchased, the Company will release the final results.

The full details of the Offer are described in the offer to purchase and issuer bid circular dated November 17, 2021, as well as the related letter of transmittal and notice of guaranteed delivery, copies of which were filed and are available on SEDAR at www.sedar.com.

This press release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell the Company's Common Shares.

Forward Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities regulation. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. These statements include, without limitation, statements regarding the terms and conditions of the Offer, including the aggregate number of Common Shares to be purchased for cancellation under the Offer, the final purchase price under the Offer, the proration factor and the number of Common Shares expected to be issued and outstanding after completion of the Offer. The Company believes the expectations reflected in the forward-looking statements in this press release are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking information is based on a number of assumptions and is subject to a

number of risks and uncertainties that may cause the results or events mentioned in this press release to differ materially from those that are discussed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general, local economic, and business conditions. All forward-looking information in this press release speaks as of the date hereof. The Company does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com).

About Leon's Furniture Limited

LFL is the largest retailer of furniture, appliances and electronics in Canada. Our retail banners include: Leon's; The Brick; Brick Outlet; and The Brick Mattress Store. Finally, with The Brick's Midnorthern Appliance banner alongside with Leon's Appliance Canada banner, this makes the Company the country's largest commercial retailer of appliances to builders, developers, hotels and property management companies. The Company has 304 retail stores from coast to coast in Canada under various banners. The Company operates three websites: leons.ca, thebrick.com and furniture.ca.

SOURCE Leon's Furniture Limited

View original content: <http://www.newswire.ca/en/releases/archive/December2021/31/c5300.html>

%SEDAR: 00001116E

For further information: Constantine Pefanis, Chief Financial Officer, Leon's Furniture Limited, Telephone: (416) 243-4073

CO: Leon's Furniture Limited

CNW 07:00e 31-DEC-21