

Leon's Furniture Limited Announces Intention To Commence Substantial Issuer Bid

TORONTO, Nov. 17, 2021 /CNW/ - Leon's Furniture Limited (TSX: LNF.TO) ("**LFL**", or the "**Company**") announced today its intention to commence a substantial issuer bid (the "**Offer**") pursuant to which the Company will offer to purchase up to \$200,000,000 in value of its outstanding common shares (the "**Common Shares**") from holders of Common Shares (the "**Shareholders**") for cash. As of November 16, 2021, there were 76,793,896 Common Shares issued and outstanding. The Offer would be for approximately 10.7% of the total number of issued and outstanding Common Shares if the purchase price is determined to be \$24.30 (which is the minimum price per Common Share under the Offer) or approximately 10.4% of the total number of issued and outstanding Common Shares if the purchase price is determined to be \$25.05 (which is the maximum price per Common Share under the Offer).

The Offer will proceed by way of a "modified Dutch auction". Holders of Common Shares wishing to tender to the Offer will be entitled to do so pursuant to: (i) auction tenders in which they will specify the number of Common Shares being tendered at a price of not less than \$24.30 and not more than \$25.05 per Common Share in increments of \$0.05 per Common Share, or (ii) purchase price tenders in which they will not specify a price per Common Share, but will rather agree to have a specified number of Common Shares purchased at the purchase price to be determined by auction tenders.

The purchase price to be paid by the Company for each validly deposited Common Share will be based on the number of Common Shares validly deposited pursuant to auction tenders and purchase price tenders, and the prices specified by Shareholders making auction tenders. The purchase price will be the lowest price which enables the Company to purchase the maximum number of Common Shares not exceeding an aggregate of \$200,000,000 in value based on valid auction tenders and purchase price tenders, determined in accordance with the terms of the Offer. Common Shares deposited at or below the finally determined purchase price will be purchased at such purchase price. Common Shares that are not taken up in connection with the Offer, including Common Shares deposited pursuant to auction tenders at prices above the purchase price, will be returned to the Shareholders.

If the aggregate purchase price for Common Shares validly tendered pursuant to auction tenders and purchase price tenders is greater than the amount available for auction tenders and purchase price tenders, the Company will purchase Common Shares from the holders of Common Shares who made purchase price tenders or tendered at or below the finally determined purchase price on a pro rata basis, except that "odd lot" holders (holders of less than 100 Common Shares) will not be subject to proration.

The Offer will commence on November 25, 2021 and expire at 5:00 p.m. (Eastern time) on December 30, 2021 (the "**Expiration Time**"), unless withdrawn or extended. The Offer will not be conditional upon any minimum number of Common Shares being tendered. The Offer will, however, be subject to other conditions and the Company will reserve the right, subject to applicable laws, to withdraw or amend the Offer, if, at any time prior to the payment of deposited Common Shares, certain events occur.

The Company's normal course issuer bid announced on September 15, 2021 was suspended on November 10, 2021, until after the expiration time or the date of termination of the Offer in accordance with applicable securities laws.

Details of the Offer, including instructions for tendering Common Shares to the Offer and the factors considered by the Board of Directors in making its decision to approve the Offer, will be included in the formal offer to purchase and issuer bid circular and other related documents (the "**Offer**").

Documents"), which are expected to be mailed to Shareholders, filed with applicable Canadian Securities Administrators and made available free of charge on or about November 25, 2021 on SEDAR at www.sedar.com. Shareholders should carefully read the Offer Documents prior to making a decision with respect to the Offer.

On November 16, 2021, CIBC World Markets Inc. ("**CIBC**") provided an opinion to the Board of Directors of the Company to the effect that, as of that date and based on and subject to the qualifications, assumptions and limitations stated in such opinion, (i) a liquid market for the Common Shares exists as of the date of the opinion, and (ii) it is reasonable to conclude that, on completion of the Offer, in accordance with its terms, there will be a market for the holders of Common Shares who do not tender their Common Shares to the Offer that is not materially less liquid than the market that existed on the date of the opinion. A copy of the opinion of CIBC World Markets Inc. will be included in the Offer Documents.

The Company has further engaged CIBC to act as its dealer manager and exclusive financial advisor and agent in connection with the Offer. The Company has also engaged TSX Trust Company ("**TSX Trust**") to act as depositary for the Offer.

The Board of Directors of the Company has approved the Offer. However, none of the Company, its Board of Directors, CIBC or TSX Trust makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Common Shares under the Offer. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Common Shares under the Offer, and, if so, how many Common Shares to deposit and at what prices.

This press release is for informational purposes only and does not constitute an offer to buy or the solicitation of offer to sell Common Shares. The solicitation and the offer to buy Common Shares will only be made pursuant to the formal offer to purchase, the issuer bid circular and other related documents.

Any questions or requests for information regarding the Offer should be directed to TSX Trust, as the depositary, or CIBC, as the dealer manager.

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 Company's intentions and expectations with respect to the Offer, the terms and conditions of the Offer, including the aggregate number of Common Shares to be purchased for cancellation under the Offer and the expected expiration date of the Offer, and purchases thereunder and the effects of purchases under the Offer. Purchases made under the Offer are not guaranteed and may be suspended if certain conditions are not satisfied or waived at the discretion of the Board of Directors. 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.

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