

Sleep Country Canada - Endy Acquisition Update: Celebrating a Great Canadian Success Story

TORONTO, March 31, 2021 /CNW/ - Sleep Country Canada Holdings Inc. ("Sleep Country" or the "Company") (TSX: ZZZ) is thrilled to announce that, further to its acquisition of Endy in November 2018, it has completed the acquisition with performance pay of \$25 million in March 2021. The payment is testimony to Endy's strong outperformance of all set growth and profitability targets in 2020. Since exploding onto the eCommerce scene in 2015, Endy has achieved over \$250 million in revenue and has grown to become Canada's leading online mattress brand and one of the country's fastest-ever growing retail brands.

In November 2018, Sleep Country made its single most valuable investment to date through the acquisition of Endy for \$88.7 million, paying \$63.7 million in cash at closing and agreeing to pay up to \$25 million in Q1 2021 based on Endy's achievement of ambitious growth and profitability targets. With Endy surpassing every set metric, the acquisition has proven to be a spectacular success, driving tremendous value for customers, employees and shareholders in its first two years as part of the Sleep Country family.

"I am incredibly proud of a landmark year for Endy in 2020," said Rajen Ruparell, Co-Founder, Endy. "What we have achieved is a testament to our brilliant team and our relentless focus on customer experience. We believe we are still in the early stages of building a truly iconic Canadian brand."

The Endy acquisition is a successful milestone in the execution of Sleep Country's strategic plan. Over the last several years, Sleep Country has been strategically investing and innovating in order to anticipate, adapt and evolve with the customer of today and tomorrow. The acquisition of Endy has significantly enhanced Sleep Country Canada Holdings Inc. competitive positioning by adding unmatched eCommerce infrastructure and digital acquisition capabilities through the Endy platform, substantially expanding its customer base and adding a suite of innovative, Canadian-made products to complement Sleep Country's industry-leading assortment. Combined, the Sleep Country, Dormez-vous and Endy brands are unparalleled in the sleep retail landscape and are defining the way Canadians will choose to shop for sleep solutions for years to come.

Endy continues to operate separately from Sleep Country, encouraging the same competitive spirit that positions both companies as leaders in their respective spaces.

"We are incredibly excited about what the future holds for our partnership," said Stewart Schaefer, Chief Business Development Officer, Sleep Country Canada. "We have barely scratched the surface on all that we plan to unleash between Endy and Sleep Country and have truly enjoyed working with their brilliant team. Each of our brands brings a best-in-class model of service to our combined customers. Our brands complement one another in offering a superior experience to a broader customer segmentation. Looking forward, our exceptional 2020 results serve as powerful momentum as we continue to build our sleep ecosystem and expand our leadership position in Canadian retail."

Endy, founded in 2015 by Rajen Ruparell and Mike Gettis, continues to lead as an innovator in the eCommerce space. Since the acquisition, Endy has launched numerous new products including a duvet, weighted blanket and bed frame, while continuing to differentiate itself with its signature product, the Canadian-made Endy Mattress. Recently named Product of the Year Canada 2020 for Mattress-in-a-Box and Most Trusted Mattress-in-a-Box Brand 2021 by BrandSpark, Endy has become one of the country's most widely owned and loved mattresses in a highly competitive market, with more than 250,000 sold and an average 4.9/5-star rating based on 20,000 customer reviews. The brand exclusively operates in Canada with its eCommerce website, [endy.com](https://www.endy.com), as its primary point-of-sale.

Additional notable achievements for Endy in 2020 include:

- Voted [Product of the Year 2020](#) for Mattress-in-a-Box and [Parent Tested, Parent Approved™](#)
- Exceeded Canadians' expectations of free and fast delivery, arriving on customers' doorsteps in 3.2 days from order date, on average, nationwide
- Earned recognition as one of Canada's [Great Places To Work](#) for the second year running
- Reached a milestone of 10,000 mattresses donated to-date to Canadian charities as part of [The Endy Donation Project](#)
- Continued to drive innovation with Endy's in-house marketing and creative teams, reaching 21.6 million Canadians through digital ads alone

In Spring 2020, Endy launched its Healthcare Heroes initiative, transforming on-call rooms at Canadian hospitals hard-hit by COVID-19 with new mattresses and bedding. These donations help ensure Canada's frontline doctors and nurses can rest comfortably between patients and on multi-day shifts. Endy has expanded

this initiative in 2021, with 16 Canadian hospitals supported to-date.

"The Endy team is best-in-class in Canada, and we applaud their record-breaking growth and commitment to innovation in eCommerce," said David Friesema, CEO, Sleep Country Canada. "They have performed exceptionally well as part of the Sleep Country family and continue to set themselves apart as a leader in the digital space."

Endy announced Alexandra Voyevodina-Wang as its new GM & President in November 2020. Previously, Alexandra served as Endy's first-ever CFO, joining the team in 2016 as a key member of the brand's early-stage growth team. In her new role, Alexandra oversees Endy's growth strategy and day-to-day operations and looks forward to solidifying Endy's reputation as a beloved Canadian brand with a customer-first focus. Rajen Ruparell remains active as founder and advisor to the company.

About Sleep Country

Sleep Country is Canada's leading omnichannel specialty sleep retailer, with a national brick-and-mortar footprint and robust eCommerce platforms dedicated to supporting the health and wellbeing of Canadians by matching each customer to their best night's sleep. Sleep Country operates under three retail banners (the "Banners"): "Sleep Country Canada", with omnichannel operations in Canada excluding Québec; "Dormez-vous" with omnichannel operations in Québec and "Endy", Canada's leading online mattress-in-a-box retailer. As of March 16, 2021, Sleep Country has 283 stores and 17 distribution centres across Canada. All of the Company's stores are corporate-owned, enabling it to develop and maintain a strong culture of customer service, resulting in a consistent and superior in-store and home delivery experience. Sleep Country also works closely with Canadian charities to donate new and gently used mattresses to families and children in need.

For more information about the company visit www.sleepcountry.ca.

About Endy

Launched in 2015 and headquartered in Toronto, Endy (endy.com) is revolutionizing the way people sleep, through their ridiculously comfortable, supportive and Canadian-made mattress. Endy stands apart as one of Canada's fastest-growing e-Commerce companies, and its fan-favourite, Canadian-made mattress was recently named Product of the Year Canada 2020 (Mattress-in-a-Box). The brand has expanded its assortment to include The Endy Pillow, The Endy Sheets, The Endy Mattress Protector, The Endy Duvet, The Endy Bed Frame, and The Endy Weighted Blanket. The proudly Canadian company works closely with Canadian charities to donate new and gently used mattresses to families and individuals in need. Endy is a wholly owned subsidiary of Sleep Country Canada Holdings Inc. (TSX:[ZZZ](#)).

SOURCE Sleep Country Canada Holdings Inc. Investor Relations

<https://ir.sleepcountry.ca/2021-03-31-Sleep-Country-Canada-Endy-Acquisition-Update-Celebrating-a-Great-Canadian-Success-Story>