

## **Sleep Country Canada Invests in Canadian Start-up Sleepout**

TORONTO, Nov. 23, 2021 /CNW/ - Sleep Country Canada Holdings Inc. ("Sleep Country") (TSX: ZZZ), Canada's leading omnichannel specialty sleep retailer, today announced a \$500,000 investment for a 25% ownership stake of Sleepout Inc. ("Sleepout"), a Canadian startup specializing in portable blackout curtains. As demand for sleep wellness products grows, Sleep Country's investment will support Sleepout's entry to the market and its mission of helping people get a better night's sleep.

Born out of the pandemic, and out of co-founders Mark Coombs and Hannah Brennen's frustration, Sleepout is a Canadian direct-to-consumer business that works to help people sleep better while making a positive impact on the environment. Like nearly a third of Canadians, Mark suffered from insomnia and found that total darkness was the best solution to a restful night's sleep. After years of ineffective DIY solutions, Mark and Hannah developed the Sleepout® Curtain, a patented portable blackout curtain that installs anywhere in seconds to completely darken any room.

"We are excited to invest in Sleepout, especially the two founders Mark and Hannah, to help them take their premium blackout curtain to market. We believe this product is a best-in-class solution for one of the most common sleep problems, and will help people get a longer and better night's sleep. We look forward to fuelling their growth with our market expertise and expanding our portfolio of online sleep wellness accessories to be sold digitally across North America," said Stewart Schaefer, President of Sleep Country Canada. "Our investment supports them, and our strategy to provide customers with seamless access to the world's best and most innovative sleep products that we believe will help transform their lives with the power of sleep," added Schaefer.

"We are thrilled to receive this investment from Sleep Country, Canada's leading sleep retailer," said Mark Coombs, CEO and Co-Founder of Sleepout. "We couldn't have asked for a better investment partner. With Sleep Country's support, Sleepout will be able to cover new ground by achieving larger scale and advancing our joint mission of helping North American's sleep better," added Coombs.

Sustainably designed with premium Greenguard® and OEKO-TEX® certified 100 percent blackout fabric, the Sleepout Curtain is incredibly effective at keeping out light. It temporarily installs to any window using industrial-strength locking suction cups and blocks extra light with the help of the proprietary Sleepout Pads — a new non-damaging adhesive technology designed specifically to block light bleeds. The easy-to-install and remove kit packs into a reusable carrying bag that can fit into a backpack or suitcase, making it the perfect blackout solution for home and travel. Sleepout curtains will be sold online through the company's eCommerce website [sleepoutcurtains.com](https://sleepoutcurtains.com) and become a part of Sleep Country's growing digital ecosystem.

The company has already established a customer base through one of [Kickstarter's top campaigns](#) that ran from June to July 2021 and sold over 3,000 units. Subsequent to Kickstarter, Sleepout launched a crowdfunding campaign on Indiegogo that generated additional revenue and customer interest.

### **About Sleep Country**

Sleep Country is Canada's leading omnichannel specialty sleep retailer with a national retail store network and robust eCommerce platforms. The Company operates under retail banners: "Sleep Country Canada", with omnichannel operations in Canada excluding Québec; "Dormez-vous?" with omnichannel operations in Québec; "Endy", Canada's leading direct-to-consumer online sleep solutions retailer; and recently acquired Hush Blankets Inc., one of Canada's fastest-growing digital retailers. Sleep Country has 287 stores, 17 fulfillment centres and two storage hubs across Canada. Sleep Country is a purpose-led company dedicated to transforming lives by awakening Canadians to the power of sleep. The company is committed to meaningfully and positively supporting its environment, people and communities including operating a comprehensive Mattress Recycling Program and working closely with Canadian charities to donate new and gently used mattresses to families and children in need.

### **About Sleepout**

Mark Coombs and Hannah Brennen founded Sleepout after years of dealing with Mark's insomnia and personal frustration for the lack of solutions available. Both with a track record of driving growth at successful Canadian technology startups, the sleep-obsessed entrepreneurial couple set out to create a curtain that could provide complete darkness anywhere. Understanding that many people sleep better in total darkness, finding a complete solution that could be installed easily without damaging walls or windows was essential. Sleepout offers an ideal solution for anyone in need of total darkness and creates a positive impact on the environment through sustainable design and climate-positive business initiatives. Sleep better with Sleepout.

For more information about Sleep Country, visit [www.sleepcountryir.ca](https://www.sleepcountryir.ca).

For more information about Sleepout, visit [www.sleepoutcurtains.com](http://www.sleepoutcurtains.com).

### **Non-IFRS Measures and Retail Industry Metrics**

The Company prepares its consolidated financial statements in accordance with IFRS. In order to provide additional insight into the business, to provide investors with supplemental measures of its operating performance and to highlight trends in its business that may not otherwise be apparent when relying solely on IFRS financial measures, the Company uses certain non-IFRS measures, including "Same Store Sales" or "SSS", "EBITDA", "Operating EBITDA", "Operating EBITDA Margin", "Adjusted Net Income" and "Adjusted EPS". These measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

Readers are cautioned that these non-IFRS measures are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similarly titled measures presented by other publicly traded companies. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

### **Forward-looking Information**

This release contains forward-looking information and forward-looking statements which reflect the current view of management with respect to the Company's objectives, plans, goals, strategies, outlook, results of operations, financial and operating performance, prospects and opportunities. Wherever used, the words "may", "will", "anticipate", "intend", "estimate", "expect", "plan", "believe" and similar expressions identify forward-looking information and forward-looking statements. Forward-looking information and forward-looking statements should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indicators of whether, or the times at which, such events, performance or results will be achieved. All of the information in this release containing forward-looking information or forward-looking statements is qualified by these cautionary statements.

Forward-looking information and forward-looking statements are based on information available to management at the time they are made, underlying estimates, opinions and assumptions made by management and management's current good faith belief with respect to future strategies, prospects, events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. Such risks and uncertainties include, but are not limited to, those described in the Company's 2020 Annual Information Form (the "AIF") filed on March 2, 2021. A copy of the AIF can be accessed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be less significant may also adversely affect the Company.

SOURCE Sleep Country Canada Holdings Inc. Investor Relation

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<https://ir.sleepcountry.ca/2021-11-23-Sleep-Country-Canada-Invests-in-Canadian-Start-up-Sleepout>