

Sleep Country Canada Holdings Inc. Announces Acceptance by TSX of Normal Course Issuer Bid

TORONTO, March 7, 2023 /CNW/ - Sleep Country Canada Holdings Inc. ("Sleep Country" or the "Company") (TSX: ZZZ) announced today acceptance by the Toronto Stock Exchange (the "TSX") of the Company's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, the Company proposes to purchase through the facilities of the TSX, other designated exchanges and/or alternative trading systems, from time to time over the next 12 months, if considered advisable, up to a maximum of 2,675,550 common shares ("Shares") of the Company, being approximately 10% of its public float of 26,755,502 Shares as of February 28, 2023. Purchases may commence through the TSX on March 9, 2023 and will conclude on the earlier of the date on which purchases under the bid have been completed and March 8, 2024. The Company may purchase up to a daily maximum of 21,782 Shares (representing 25% of the average daily trading volume of the Shares on the TSX for the six months prior to February 28, 2022 excluding purchases by the Company under its prior normal course issuer bid, being 87,130 Shares), except where such purchases are made in accordance with the "block purchase" exception under applicable TSX rules and policies.

The Shares may be purchased for cancellation through the facilities of the TSX, other designated exchanges and/or alternative trading systems. The board of directors of Sleep Country has concluded that the market price of Sleep Country's Shares may not, from time to time, reflect the inherent value of the Company and purchases of Shares pursuant to the bid may represent an appropriate and desirable use of funds that allows the Company to return excess cash to shareholders, while still having sufficient cash available to fund all of its growth capital expenditure requirements.

The Company purchased 2,465,528 Shares through the facilities of the TSX, other designated exchanges and/or alternative trading systems at a volume weighted average price of \$24.60 per share under its previous normal course issuer bid which commenced on March 9, 2022, pursuant to which it sought and obtained approval of the TSX to purchase 3,155,250 Shares. Sleep Country's previous normal course issuer bid expires on March 8, 2023. As of February 28, 2023, the Company had 34,711,824 issued and outstanding Shares.

The Company has established an automatic share purchase plan ("ASPP") in connection with the NCIB to facilitate the purchase of Shares during times when the Company would ordinarily not be permitted to purchase Shares due to regulatory restrictions or self-imposed black-out periods. Before entering a black-out period, the Company may, but is not required to, instruct its broker to make purchases under the NCIB based on parameters set by the Company in accordance with the ASPP, TSX rules and applicable securities laws. The ASPP has been pre-cleared by the TSX and will be implemented effective March 9, 2023.

About Sleep Country

Sleep Country is Canada's leading specialty sleep retailer with a purpose to transform lives by awakening Canadians to the power of sleep. Sleep Country operates under the retailer banners; Sleep Country Canada, Dormez-vous, Endy, Hush and most recently acquired, Silk & Snow. The Company has omnichannel and ecommerce operations including 289 corporate-owned stores and 20 warehouses across Canada. Recognized as one of Canada's Most Admired Corporate Cultures in 2022 by Waterstone Human Capital, Sleep Country is committed to building a company culture of inclusion and diversity where differences are embraced and valued. The Company actively invests in its sleep ecosystem, innovative products, world-class customer experience, communities and its people. For more information about Sleep Country, please visit www.sleepcountry.ca.

Forward-Looking Information

Certain information in this news 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 indications of whether, or the times at which, such events, performance or results will be achieved. All of the information in this news 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 2022 annual information form (the "AIF") filed on March 2, 2023. A copy of the AIF can be accessed under the Company's profile on SEDAR at 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.

Readers are urged to consider the risks, uncertainties, and assumptions carefully in evaluating the forward-looking information and forward-looking statements and are cautioned not to place undue reliance on such information and statements. The Company does not undertake to update any such forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.

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