

A woman with long brown hair is sleeping peacefully in a bed. She is wearing a light blue and white striped short-sleeved shirt. Her eyes are closed, and she has a slight smile on her face. She is resting her head on a white pillow. The bed has a tufted grey headboard. The lighting is soft and natural, suggesting a calm morning or evening.

Transforming lives through the power of sleep

Sleep Country Canada Holdings Inc.
Investor Presentation
2021



FORWARD-LOOKING INFORMATION

This presentation, including, in particular, under the headings entitled “Stable, long-term growth”, “Key drivers of SSS growth”, “Roadmap to growth – Increase accessories sales”, “Roadmap to growth – Add stores in existing, satellite and new markets”, “Attractive financial model results in strong cash flow conversion”, “National scale has economic benefits”, “Regional store density adds profitability and barrier to entry”, Select Financial Highlights and Growth Targets” and “Investment Highlights”, 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 reads 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 presentation 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 the System for Electronic Document Analysis and Retrieval (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.

The Company cautions that the list of risk factors and uncertainties described in the AIF is not exhaustive and that should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual strategies, prospects, events, performance and results may vary significantly from those expected. There can be no assurance that the actual strategies, prospects, results, performance, events or activities anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, 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


NON-IFRS MEASURES AND RETAIL INDUSTRY METRICS

The Company prepares its 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 has also provided in this MD&A certain non-IFRS measures, including “Same Store Sales” or “SSS”, “EBITDA”, “Operating EBITDA”, “Operating EBITDA Margin”, “Adjusted Net Income” and “Adjusted EPS” each as defined below. 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. See below for further details concerning how the Company calculates these non-IFRS measures and for reconciliations to the most comparable IFRS measures.

Our PURPOSE
is to transform lives
by awakening Canadians
to the power of sleep.

Our VISION
is to champion sleep
as the key to healthier,
happier lives and
help everyone achieve
better tomorrows
through better tonights.

A photograph of a man and a young child sleeping together in a bed. The man is on the left, wearing a dark blue sweater, with his eyes closed and a slight smile. The child is on the right, wearing a white shirt with small dark patterns, also sleeping peacefully. The man's hands are gently resting on the child's back. The bed has white pillows and a grey headboard. The background shows a window with white blinds.

We will not rest until we've
helped every Canadian find
their best sleep.

INVESTMENT HIGHLIGHTS

- Canada's Purpose-Driven Sleep Leader since 1994
- Superior Strategy and Execution Delivering Strong Results and Momentum
- Clear Roadmap to Drive Long-Term, Profitable Growth
- Commitment to Environmental & Social Responsibility
- Attractive Financial Model with Strong Cash Flow Conversion

GROWTH STRATEGY



Channel and product innovation.

Our goal is to be Canada's singular sleep partner and gateway to the world's best sleep assortment, achieved through unwavering dedication to channel and product innovation.



World-class customer experience

With relentless focus on the customer, we are committed to delivering an exceptional and seamless journey across all channels and touchpoints.



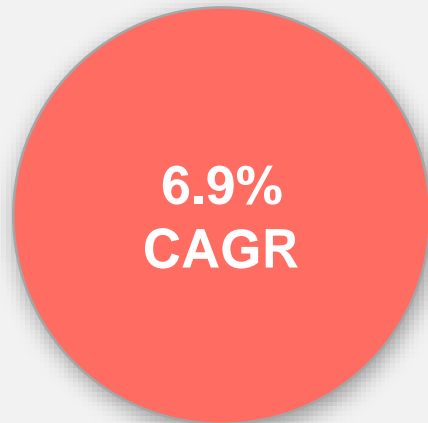
Commitment to helping customers achieve their best sleep as a pillar of wellbeing.

We are dedicated to supporting the wellbeing of all Canadians by championing sleep as an essential pillar of physical, mental and emotional wellbeing. With our sleep expertise, we strive to help every Canadian achieve their best sleep in pursuit of healthier and happier lives.

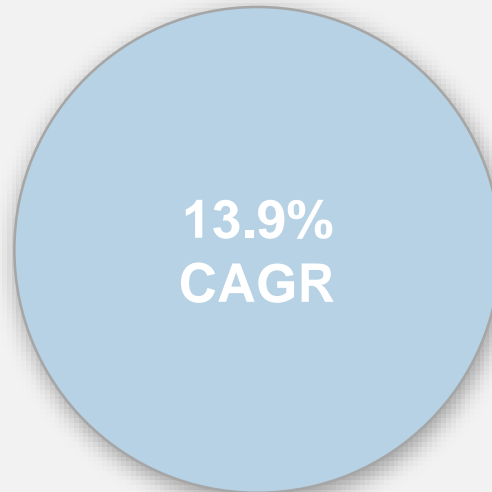
HIGHLIGHTS

\$920M

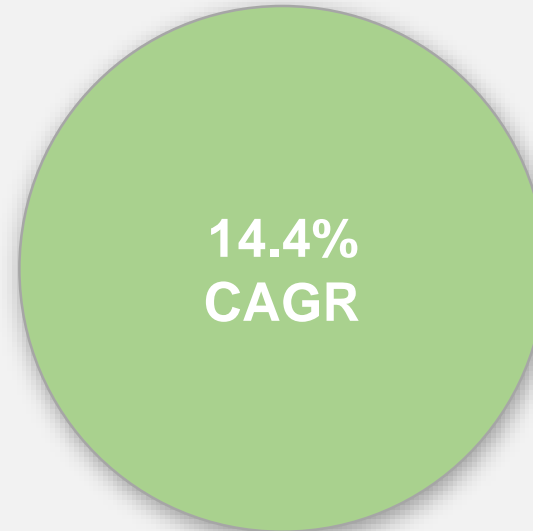
2021 Sales Growth of 21.4%



Dividends Declared
Since 2016*



Revenue since 2018



Diluted EPS since 2018



* As part of the Company's business continuity measures due to the COVID-19 pandemic, the Company suspended its Q2 2020 and Q3 2020 dividends.

CANADA'S SLEEP PARTNER (TSX:ZZZ)

\$920.2M

FY21 Revenues

23.0%

Growth in FY21
Operating EBITDA*

21.4%

Growth in FY21
Revenue

40.0%

Growth in FY21 Net
Income attributable to
the Company*

34.5%

Growth in FY21 gross
Margin

39.2%

Growth in FY21
Diluted EPS

\$210.8M

FY21 Operating
EBITDA*

\$156.1M

FY21 Operating Cash
Flows



Canada's sleep
partner through
channel and product
innovation



A purpose-driven
organization,
championing a sleep
movement to
transform lives
through the power of
sleep



World-class
customer experience
with seamless
physical and digital
touchpoints



1,000+ Sleep
Experts serving
close to 1+ million
customers



Broad customer
reach through
strategic
partnerships with
powerful local and
international brands



Unmatched network
of white glove
delivery and
distribution



Efficient business
model with fast cash
conversion and
sustainable cash flow
generation



80+ Charitable
Partners

*Figures include IFRS 16 impact

CANADA'S LEADING OMNICHANNEL SLEEP ECOSYSTEM



Exclusive assortment of the world's leading sleep brands
and in-house innovation position us as Canada's gateway to the world of sleep



Strong retail channel partnerships
reaching broad and complementary customer segments



Elevated sleep expertise
offered in stores and on our Sleep Country and Dormez-vous websites via our Dreamline chat and phone service.

CANADA'S LEADING OMNICHANNEL MATTRESS & BEDDING RETAILER

	Brick & Mortar Stores	E-Commerce				
Channel		 Website & Dreamline	  Marketplaces			
Offering	<ul style="list-style-type: none"> • Canada's leading omnichannel specialty mattress and accessories retailer supported by a robust logistics infrastructure supported by a differentiated white glove delivery coast to coast • Customers can choose to shop via our 286 locations or digitally via our SCC and DV websites • Access to a team of dedicated sleep experts in-store and via the Dreamline web chat or telephone 		<ul style="list-style-type: none"> • Establish a presence wherever our customers choose to transact • Curated offering of SCC/DV products 	<ul style="list-style-type: none"> • Canada's leading online bed-in-a-box brand and one of • Offering includes the ENDY mattress, bed frames, pillows, bedding and rugs 	<ul style="list-style-type: none"> • Canada's leading weighted blanket brand • Offering includes the HUSH ICED and Classic weighted blankets, Hush ICED bedsheets, pillows, Hush mattress and accessories 	<ul style="list-style-type: none"> • Canada's leading portable blackout curtain • Offering includes the SLEEPOUT Curtain
Geographic Presence	Canada			Canada and early-days presence in the. U.S.	Canada and early-days presence in the. U.S.	

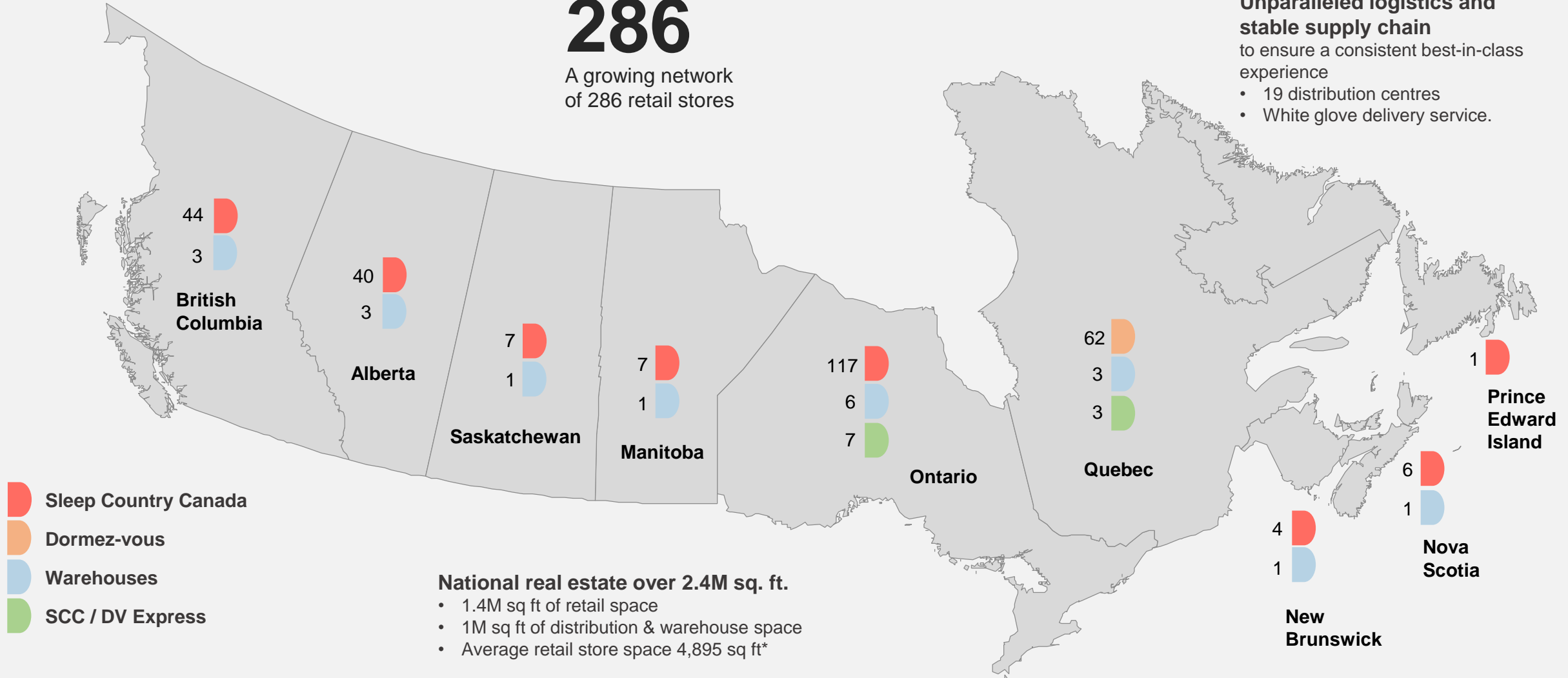
BRICK & MORTAR FOOTPRINT

286

A growing network
of 286 retail stores

Unparalleled logistics and stable supply chain
to ensure a consistent best-in-class experience

- 19 distribution centres
- White glove delivery service.

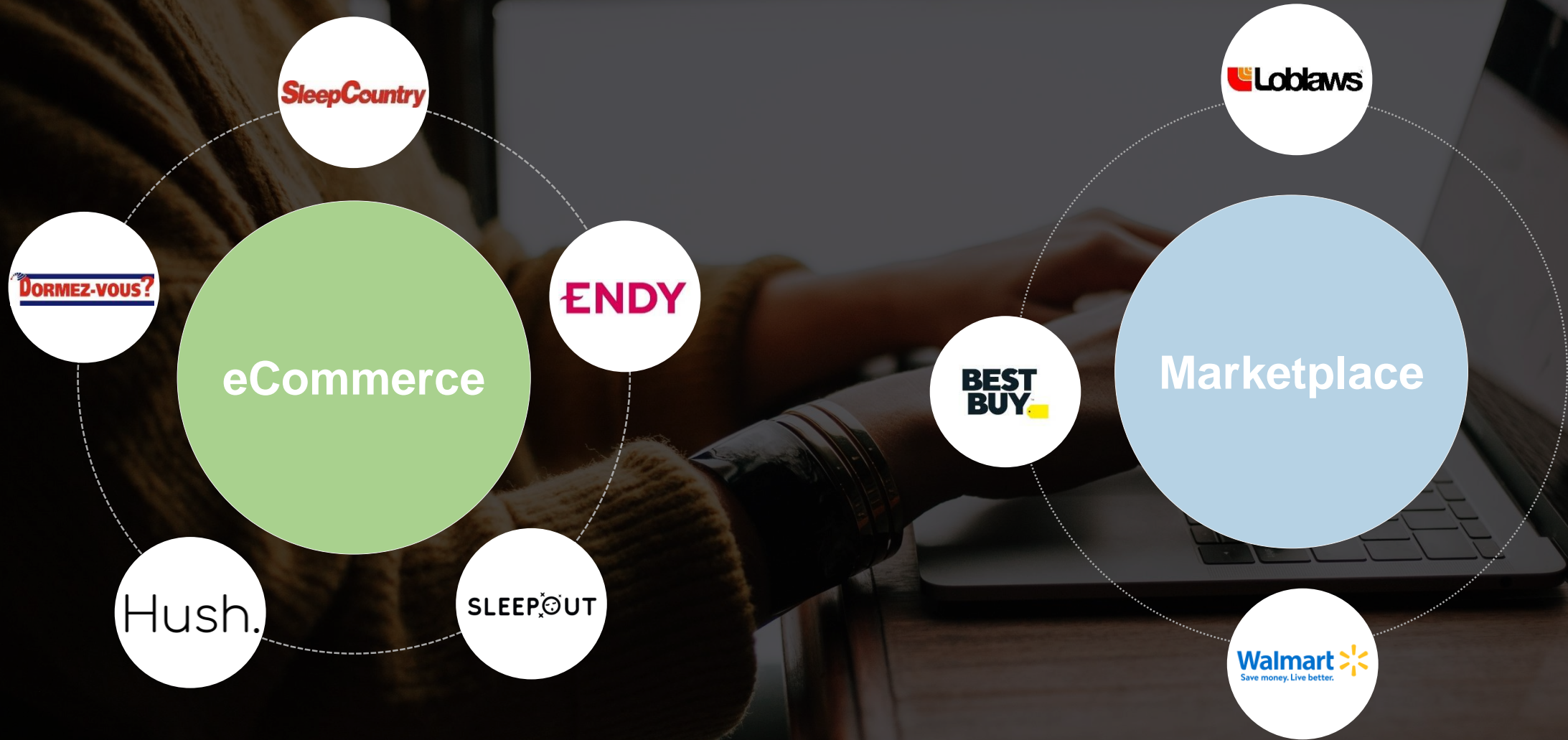


National real estate over 2.4M sq. ft.

- 1.4M sq ft of retail space
- 1M sq ft of distribution & warehouse space
- Average retail store space 4,895 sq ft*

*excluding Walmart Express locations

DIGITAL FOOTPRINT





PORTFOLIO OF BRANDS














Partnered with the best brands for over 25 years
to continue bringing you your best sleep.



CURRENT DROPSHIP PARTNERS Q2 2022

The evolution of our endless aisle



 if only home DELLIANT 375		 Eddie Bauer	 MONARCH SPECIALTIES INC.	 LAURA ASHLEY SINCE 1953
 NAUTICA	 Primo	 SHEEX	 PÜR	 tuck
 ESSEX PARK	 DOREL	 KINGSDOWN	 GRAPHENE	 BLU SLEEP

ENVIRONMENT & SOCIAL RESPONSIBILITY

Our Aspirations

We believe ESG is inextricably linked to our purpose of transforming lives by awakening Canadians to the power of sleep.

We engaged our leaders on ESG and reflected on what drives us as an organization. This led us to four key pillars: Sleep Well, People Well, Earth Well and Govern Well.

Within each pillar, we have identified our strategic priorities and aspirations alongside a careful assessment of their importance to our stakeholders. This report provides an overview of the progress we have made in 2021.



Sleep Well

Areas of Focus

- Product Innovation
- Customer Experience
- Sleep Wellbeing



People Well

Areas of Focus

- Compelling Associate Value Proposition
- Equity, Diversity, Inclusion and Belonging (EDI&B)
- Health, Safety & Wellbeing
- Community of Caring



Earth Well

Areas of Focus

- Climate Change
- Sustainable Materials
- Waste Management



Govern Well

Areas of Focus

- Good Governance
- Ethics and Compliance
- Cyber Security



ENVIRONMENT & SOCIAL RESPONSIBILITY

Doing Good Helps Us Rest Easy

Sleep Well

With a goal of being Canada's leading sleep partner and gateway to the world's best sustainable sleep solutions through product quality, innovation and a powerful sleep ecosystem, Sleep Country introduced new and innovative products, improved its customer experience and championed sleep as an essential pillar of wellbeing. A new supplier code of conduct was implemented in 2021 that focuses on the working and labour conditions of suppliers, their factories, and subcontractors to keep our partners accountable to proper treatment of workers and to socially responsible manufacturing processes.

People Well

Recruiting and retaining the most talented people, developing their skills and empowering them to be successful is at the core of the Company's associate value proposition. Through focus groups, ideas and feedback from its associates, the Company developed its Equity, Diversity, Inclusion and Belonging ("EDI&B") strategy committed to building an inclusive, respectful, and diverse workplace. A community of caring and giving back to communities where it operates and creating a safe environment that fosters a culture of wellbeing.

Earth Well

Sleep Country is focused on decarbonizing its operations and creating a climate resilient business for the future in alignment with the Company's goal of becoming net zero by 2040. Working with its suppliers and strategic partners to encourage the use of sustainable materials, the Company reported that 91% of the mattresses and foundations it sells contain sustainable materials. In 2021, Sleep Country diverted over 165,000 mattresses and foundations from landfills which resulted in more than 80% of materials being recovered.

Govern Well

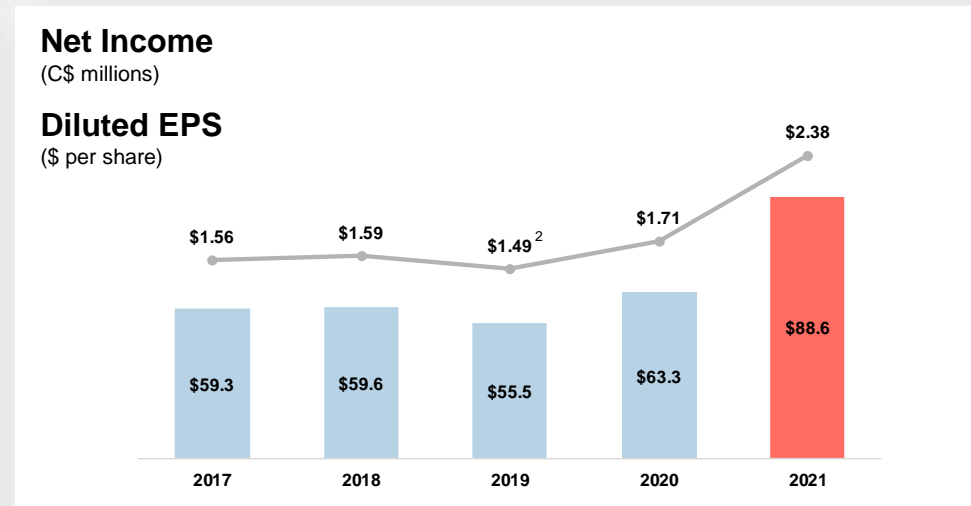
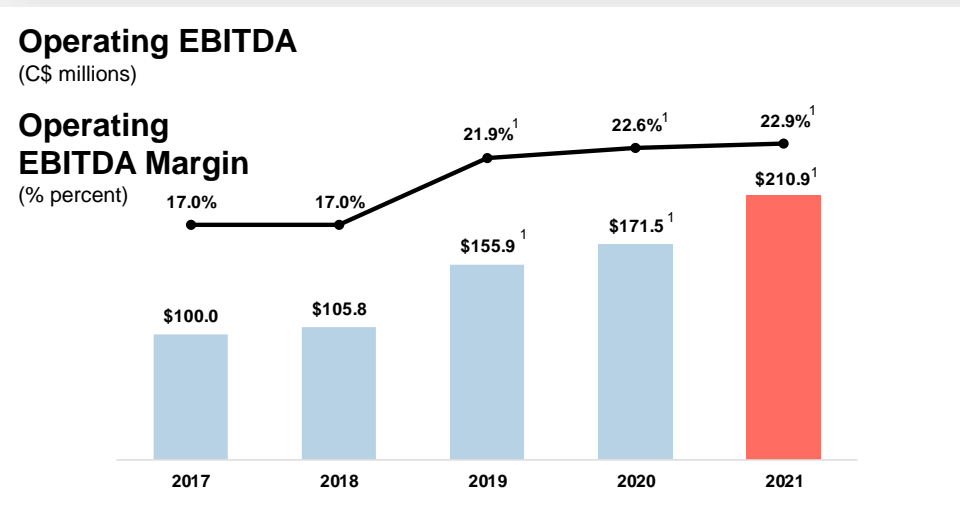
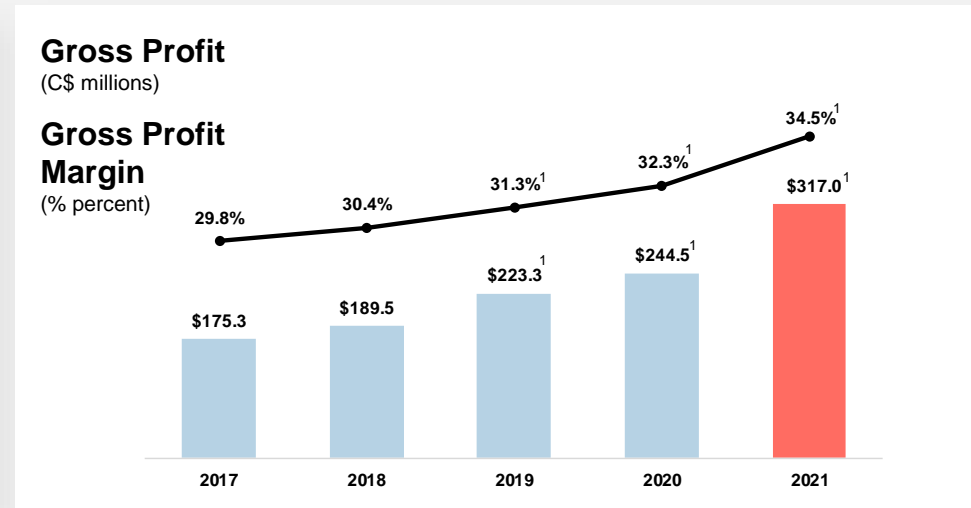
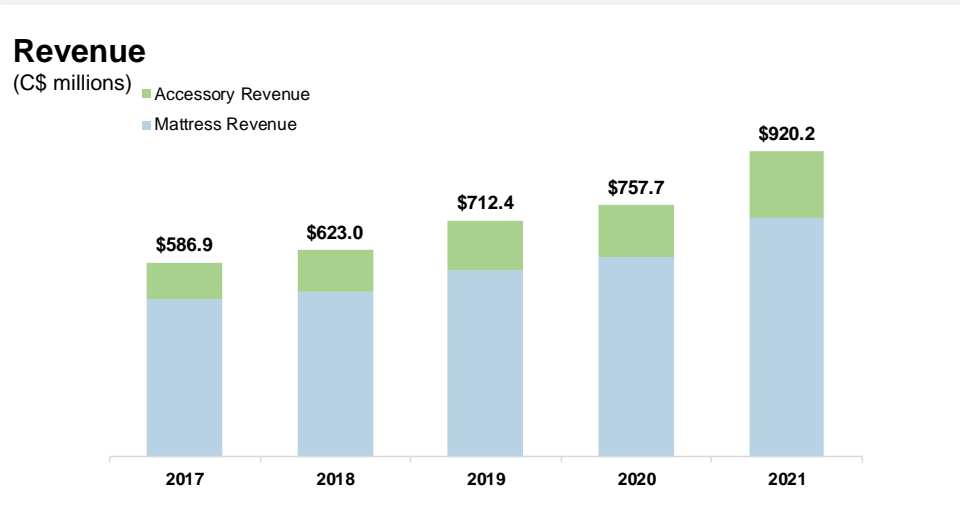
Sleep Country strives to meet the highest standards of ethics, compliance, and integrity, while promoting a culture of sustainability, awareness and engagement. In 2021, the Company began integrating its ESG values into its codes of Conduct – 100% of its associates, suppliers and partners signed off on the updated codes. Additionally, the Company focused on updating its information security policy and setting up the frameworks necessary to ensure strong cyber security in protecting its systems, networks, programs and data.



FINANCIALS

OUTSTANDING SALES & EARNINGS DESPITE COVID-19 RESTRICTIONS

Delivered record sales (+21.4%) in 2021 despite having retail network closed for an average of 16.6% of the normal operating days.



¹ Figures include IFRS 16 impact

² EPS was impacted by the following additional items in 2019 that were not included in the Company's 2018 results: (a) Impact from the adoption of IFRS 16; (b) Impact from interest on the additional debt from the acquisition of Endy; (c) Impact from accretion expense on the earn out from the Acquisition of Endy.

ATTRACTIVE FINANCIAL MODEL WITH STRONG CASH FLOW CONVERSION

Select Financial Highlights⁽¹⁾

(C\$ million unless otherwise stated)	2020 (as presented)	2021 (as presented)
Revenue	\$757.7	\$920.20
Total Sales Growth	6.4%	21.4%
Net New Stores	6	6
Gross Profit	\$244.5	\$317.0
% of Sales	32.2%	34.5%
General & Administrative Expenses⁽²⁾	\$134.9	\$178.3
% of Sales	17.8%	19.4%
Operating EBITDA	\$171.5	\$210.9
Operating EBITDA Margin	22.6%	22.9%
Adjusted Net Income	\$71.6	\$98.3
Adjusted Diluted Earnings per Share	1.94	2.64

(1) See "Non-IFRS Measures and Retail Industry Metrics".

(2) Excludes SG&A expenses added back in the reconciliation of EBITDA to Operating EBITDA.

STRATEGICALLY SUPERIOR BUSINESS MODEL : STRONG NEW STORE ECONOMICS



1.79M*

Average first year
annual sales from a
new store opening

\$460K

Average initial
investment in new
store

**Approx.
10 Months**

New store payback
period



Strategically superior business model with low capital intensity, low leverage, and highly efficient cash conversion provide capital flexibility and strong free cash flows.



Average sales of \$1.79M during the first year of new store opening result in quick payback of less than one year.



Favorable competitive position provides platform for sustainable growth in Canadian sleep market.

*average first year annual sales for a new store opening is calculated on store openings prior to December 31, 2019 to remove the impact of Covid-19 on year one of operations for stores opened after January 1, 2020. The store vintages included in this calculation are for stores with 12 months of operation for 2018 and 2019.

ATTRACTIVE FINANCIAL MODEL: CONSERVATIVE LEVERAGE

Capital structure provides financial flexibility to grow the business, while providing returns to shareholders

(C\$ millions)	As at December 31, 2020	As at December 31, 2021
Revolving Credit Facility	\$78.0	\$63.0
Less: Cash on Hand	(\$38.3)	(\$36.5)
Net Debt	\$39.7	\$26.5
Net Debt / LTM Operating EBITDA	0.32x	0.17x
Undiscounted Outstanding Lease Liabilities	\$268.3	\$284.3
Net Debt / EBITDAR	1.81x	1.52x

ATTRACTIVE FINANCIAL MODEL: STRONG FREE CASH FLOW

(C\$ millions)	As at December 31, 2021
Operating Cash Flow	156.1
Investing Cash Flow	63.1
Free Cash Flow	141.3*

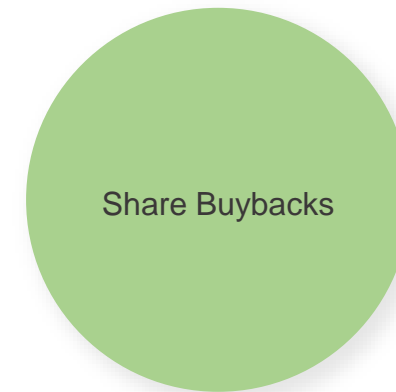
Significant increase in successful strategic investments amid challenging macro - economic environment

Highly efficient cash conversion provides strong cash flows

* Free Cash Flow excludes the impact of acquisition costs of \$48.3M. Net of acquisition costs, Free Cash Flow is \$93.0M.

CAPITAL ALLOCATION - DRIVING TOTAL SHAREHOLDER RETURNS

Foundational Layer



- Continued focus on operational excellence and the underlying strength of the business
- Maintenance capex of ~1% of revenue to maintain the assets of the business

- Raised quarterly dividend by 10% in Q2 2022 to \$0.215
- Committed to growing the dividend annually by 10% or more

- Long term leverage of ~2.0x provides balance sheet flexibility
- Investing in six new stores, targeting 20-30 renovations in addition to continued investment in ERP
- Continuously monitoring M&A opportunities

- Normal course issuer bid ("NCIB") approved by TSX in Q1 2022
- Targeting \$50 million in share buybacks for 2022
- Automatic share purchase program added to NCIB in Q2 2022

CORPORATE OVERVIEW

TSX Symbol	ZZZ.TO
Market Cap¹	\$871.50M
LTM Operating EBITDA (ended Q1 2022)	\$226.14M
Operating EBITDA Multiple²	5.3x
Shares Outstanding	36.28M
Net Debt³	\$45.21M

1) as of June 30, 2022

2) 5.3x 2022 Analyst Consensus EBITDA as of June 30

3) as at March 31, 2022



DESCRIPTION OF NON-IFRS MEASURES AND RETAIL INDUSTRY MATRIX

This presentation makes reference to certain non-IFRS measures including:

“EBITDA” is defined as net earnings (loss) from continuing operations before: (i) net interest expense and other financing charges; (ii) income taxes; (iii) depreciation of property, plant and equipment; and (iv) amortization of other assets.

“Operating EBITDA” is defined as EBITDA adjusted for: (i) reduction in management bonuses; (ii) reduction in management compensation; (iii) certain non-recurring items (shareholder reorganization, professional fees and customer deposit breakages and other provision); and (iv) share based compensation.

“Same Store Sales” or “SSS” is a non-IFRS measure used in the retail industry to compare sales derived from established stores over a certain period compared to the same period in the prior year. SSS helps to explain what portion of revenue growth can be attributed to growth in

established stores and what portion can be attributed to the opening of the stores. SCC calculates SSS as the percentage increase or decrease in sales of stores opened for at least 12 complete months relative to the same period in the prior year.

“Adjusted Net Income from Continuing Operations” is used by SCC to assess its operating performance. Adjusted net income from continuing operations is defined as net income (loss) from continuing operations adjusted for: share-based compensation.

“Adjusted EPS” is defined as adjusted net income from continuing operations attributable to the common shareholders of the Company divided by weighted average number of shares issued and outstanding during the period.

These measures are not recognized measures 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. For further details concerning how the Company calculates these non-IFRS measures and for reconciliations to the most comparable IFRS measures, please see the Company’s most recent management’s discussion and analysis of financial condition and results of operation filed with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.



Thank you.
Sleep Well.
Stay Well.