

Sleep Country Arrangement with Fairfax Receives Final Court Approval

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TORONTO, Sept. 25, 2024 /CNW/ - Sleep Country Canada Holdings Inc. ("Sleep Country" or the "Company") (TSX: ZZZ) is pleased to announce that it has obtained a final order from the Ontario Superior Court of Justice (Commercial List) approving the previously announced plan of arrangement under section 192 of the Canada Business Corporations Act (the "Arrangement"), pursuant to which 16133258 Canada Inc. (the "Purchaser"), a newly-formed and wholly-owned subsidiary of Fairfax Financial Holdings Limited ("Fairfax") (TSX: FFH) (TSX: FFH.U) will acquire all of the issued and outstanding common shares of Sleep Country for \$35.00 in cash per common share.

Receipt of the final order follows Sleep Country's special meeting of shareholders held on September 18, 2024 where the Arrangement was overwhelmingly approved by the shareholders of Sleep Country.

Subject to the satisfaction or waiver of customary closing conditions in the arrangement agreement dated July 21, 2024 among the Company, the Purchaser and Fairfax (the "Arrangement Agreement"), the parties currently anticipate that the closing of the Arrangement will occur on or about October 1, 2024.

Following completion of the Arrangement, it is anticipated that the common shares of Sleep Country will be delisted from the Toronto Stock Exchange. Fairfax also intends to cause Sleep Country to apply to cease to be a reporting issuer under applicable Canadian securities laws.

Full details of the Arrangement and certain other matters are set out in Sleep Country's management proxy circular dated August 16, 2024 (the "Circular") which has been filed under its issuer profile on SEDAR+ at www.sedarplus.ca.

Forward-Looking Information

Certain information in this news release contains forward-looking information and forward-looking statements, which reflect our current view with respect to anticipated events as well as 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", "expect", "scheduled", "intend", and similar expressions, identify forward-looking information and forward-looking statements. Forward-looking information herein includes statements regarding: the anticipated timing of various steps to be completed in connection with the Arrangement, including the anticipated closing date of the Arrangement; the de-listing of the common shares of the Company on the Toronto Stock Exchange; Fairfax's intention to cause the Company to apply to cease to be a reporting issuer; the ability of the parties to satisfy the other conditions to the closing of the Arrangement; and other statements that are not historical facts. 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 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 Sleep Country at the time they are made, underlying estimates, opinions and assumptions made by Sleep Country 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 Circular, as well as the Company's management's discussion and analysis ("MD&A") for Q2 2024 under the sections "Risk Factors" and those described in the Company's 2023 annual information form (the "AIF") filed on March 6, 2024, both of which can be accessed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca. In addition, forward-looking information in this news release is subject to a number of additional risks and uncertainties, including: the possibility that the Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, conditions of closing necessary to complete the Arrangement or for other reasons; failure to complete the Arrangement could negatively impact the price of the common shares or otherwise affect the business, financial condition or results of the Company; the Arrangement Agreement may be terminated by the parties in certain circumstances; significant transaction costs or unknown liabilities; while the Arrangement is pending, the Company is restricted from taking certain actions; the possibility of adverse reactions or changes in business relationships resulting from the completion of the Arrangement; certain of the Company's directors and officers may have interests in the Arrangement that are different from those of the Company's shareholders; risks related to tax matters; the failure to realize the expected benefits of the Arrangement; risks relating to the Company's ability to retain and attract key personnel during the interim period; credit, market, currency, operational, liquidity and funding risks generally and

relating specifically to the Arrangement, including changes in economic conditions, interest rates or tax rates; the Company and the Purchaser may be subject to legal claims, securities class actions, derivative lawsuits and other claims; and other risks inherent to the business carried out by the Company and/or factors beyond its control which could have a material adverse effect on the Company or its ability to complete the Arrangement. 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 above and in the Circular, the MD&A for Q2 2024 and the AIF are 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.

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, the rest, Endy, Silk & Snow, Hush and Casper Canada. The Company has omnichannel and eCommerce operations, including 307 corporate-owned stores and 18 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 <https://ir.sleepcountry.ca>.

About Fairfax

Fairfax is a holding company which, through its subsidiaries, is primarily engaged in property and casualty insurance and reinsurance and the associated investment management. For further information, please contact: John Varnell, Vice President, Corporate Development at (416) 367-4941.

