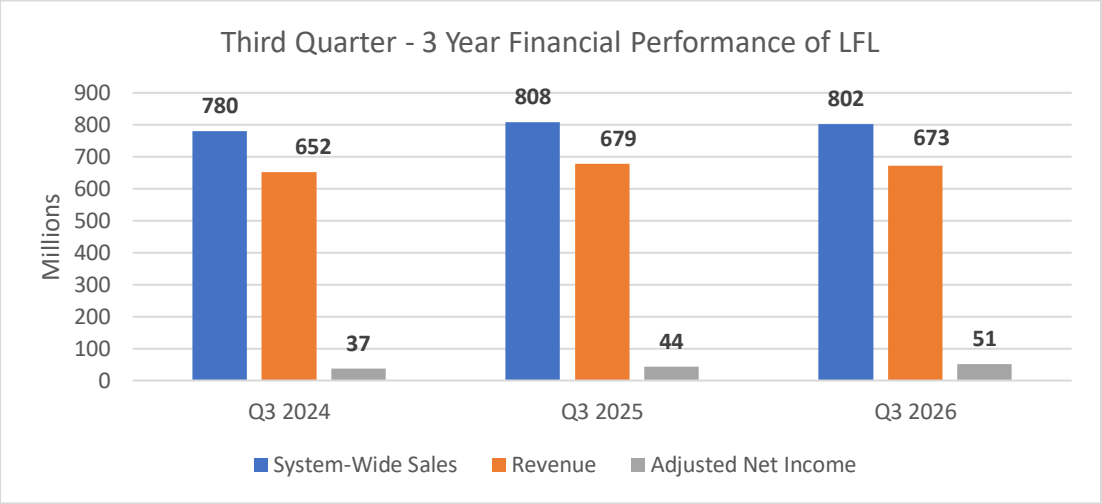
LFL Releases Third Quarter Financial Results

TORONTO, ONTARIO Thursday, November 5, 2026– Leon's Furniture Limited ("**LFL**" or the "**Company**") (**TSX: LNF**), today announced financial results for the quarter ended September 30, 2026.

Financial Highlights – Q3-2026

These comparisons are with Q3-2025 unless stated otherwise.

- System-wide sales for the quarter were $802.0 million, a slight decrease of 0.8%.
- Q3 Revenue was recorded at $672.8 million, a decrease of 0.9%, as growth in the appliance and mattress categories was offset by lower furniture sales, reflecting a strong prior-year quarter and lower inventory.
- Opened 4 new locations in the quarter including two corporate stores and two franchise stores. The Leon's division celebrated a grand re-opening of a newly built store in Welland, ON, the birthplace of the brand.
- Gross profit margin was 44.52%, a 7-basis points decline, as improved category margin rates and growth in higher margin insurance and delivery services largely offset unfavorable sales mix.
- On September 30, 2026 the Company sold a property in Edmonton, AB, that previously served as The Brick's Edmonton distribution centre and corporate headquarters for $21.4 million and recognized a pre-tax gain of $12.5 million.
- Net Income was $50.9 million compared to $50.3 million in the prior year.
- Adjusted net income was $51.2 million compared to $44.3 million in the prior year. Normalized adjusted net income excluding the one-time impacts in both years was $41.9 million as compared to $43.9 million in the prior year.
- On September 30, 2026, unrestricted liquidity was $622.5 million, comprised of cash, cash equivalents, debt and equity instruments and the undrawn revolving credit facility.



(1) For a full explanation of the Company's use of non-IFRS and supplementary financial measures, please refer to the sections of this press release with the headings "Non-IFRS Financial Measures" and "Supplementary Financial Measures".

Mike Walsh, President and CEO of LFL commented, “During the third quarter, our team executed with discipline and delivered solid results in an environment that remained challenging. Revenue was 0.9% lower than a strong third quarter last year, when furniture sales grew 11.2%. Delays in planned inventory receipts held back furniture sales. The appliance category rebounded in both our retail and commercial channels, and mattresses grew for a third consecutive quarter on the continued strength of our focused-assortment playbook. Gross margin held at 44.5%, in line with last year, as improved margin rates across our categories and our higher-margin insurance and delivery services offset a less favourable sales mix. "

Mr. Walsh continued, "While consumers remain cautious, they are still shopping, but with a sharper focus on value, and we are planning the balance of the year prudently. Our inventory position has improved, however, supply chain delays continue to be a factor into Q4. In markets like this, our priority is to gain share and come out of the cycle stronger. Our scale, national distribution network and rock-solid balance sheet, with $622.5 million in unrestricted liquidity, position us to continue delivering value to Canadians and long-term returns for our shareholders.

Earlier today, our Board of Directors approved changes to our senior management team. Luke Leon has been appointed to the role of Chief Operating Officer of the LFL Group effective December 1, 2026. Luke’s 30 years of experience and deep understanding of the organization will serve him well in his new role. I am very confident in our ability to continue improving every facet of the organization. While the current retail environment presents ongoing challenges, we have strong confidence in our senior leadership team and its ability to navigate those challenges, strengthen our company, and drive continued progress and future accomplishments.”

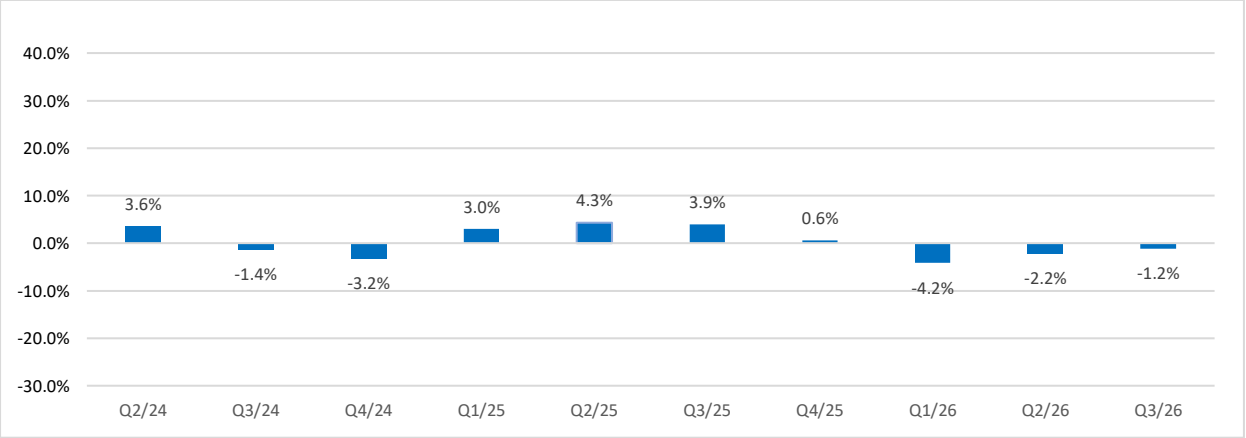
Summary financial highlights for the three months ended September 30, 2026 and September 30, 2025

For the	Three months ended			
(C$ in millions except %, share and per share amounts)	**September 30, 2026**	**September 30, 2025**	**$ Increase (Decrease)**	**% Increase (Decrease)**
Total system-wide sales [1]	**802.0**	808.4	(6.4)	(0.8%)
Franchise sales [1]	**129.2**	129.7	(0.5)	(0.4%)
Revenue	**672.8**	678.7	(5.9)	(0.9%)
Cost of sales	**373.3**	376.1	(2.8)	(0.7%)
Gross profit	**299.5**	302.6	(3.1)	(1.0%)
Gross profit margin as a percentage of revenue	**44.52%**	44.59%		
Selling, general and administrative expenses [2]	**240.6**	241.0	(0.4)	(0.2%)
SG&A as a percentage of revenue	**35.76%**	35.51%		
Other income [3]	**(12.5)**	(0.7)	(11.8)	1685.7%
Income before net finance costs and income tax expense	**71.4**	62.3	9.1	14.6%
Net finance costs	**(3.0)**	(3.8)	0.8	(21.1%)
Income before income taxes	**68.4**	58.5	9.9	16.9%
Income tax expense	**17.2**	14.2	3.0	21.1%
Adjusted net income [1]	**51.2**	44.3	6.9	15.6%
Adjusted net income as a percentage of revenue [1]	**7.61%**	6.53%		
After-tax mark-to-market loss (gain) on financial derivative instruments [1]	**0.3**	(6.0)	6.3	(105.0%)
Net income	**50.9**	50.3	0.6	1.2%
Basic weighted average number of common shares	**68,700,006**	68,415,836		
Basic earnings per share	**$0.74**	$0.74	$-	0.0%
Adjusted basic earnings per share [1]	**$0.75**	$0.65	$0.10	15.4%
Diluted weighted average number of common shares	**68,855,341**	68,744,325		
Diluted earnings per share	**$0.74**	$0.73	$0.01	1.4%
Adjusted diluted earnings per share [1]	**$0.74**	$0.65	$0.09	13.8%
Common share dividends declared	**$0.24**	$0.24	$0.00	0.0%

Same Store Sales [1]

For the	Three months ended			
(C$ in millions, except %)	**September 30, 2026**	**September 30, 2025**	**$ Decrease**	**% Decrease**
Same store sales [1]	**655.3**	663.4	(8.1)	(1.2%)

Historical Same Store Sales [1] as previously reported based on comparable quarters



[1] Please refer to the sections of this press release with the headings “Non-IFRS Financial Measures” and “Supplementary Financial Measures”.

[2] Selling, general and administrative expenses (“SG&A”)

[3] Please see note 14 of the unaudited interim condensed consolidated financial statements.

Revenue

For the three months ended September 30, 2026, revenue was $672.8 million compared to $678.7 million in the third quarter of 2025 a decrease of $5.9 million or 0.9%. The furniture category sales declined by 5.6% offset by growth in both the appliance and mattress categories. Furniture sales were impacted due to delays in planned inventory receipts and following a strong comparative in Q3 of 2025 where sales were up 11.2%. Appliances growth was driven by a strong rebound in both the retail and commercial channels despite inventory challenges that also impacted our vendor base. The mattress category continued to grow.

Same Store Sales [(1)]

Same store sales in the quarter decreased by 1.2% compared to the prior year's quarter driven by factors discussed in the revenue section. During the quarter, the Company opened two new Leon's corporate stores in the province of Ontario.

Gross Profit

The gross profit margin for the third quarter of 2026 was at 44.52% compared to 44.59% for the third quarter of 2025. Product category margin rate improvements across furniture, appliance and electronics, and increased revenue from higher margin insurance and delivery service offerings was largely offset by unfavourable sales mix.

Selling, General and Administrative Expenses ("SG&A")

The Company's SG&A as a percentage of revenue for the third quarter of 2026 was 35.76%, an increase of 25 basis points over the third quarter of 2025. The increase was largely driven by the impact of increased last mile delivery costs due to higher fuel prices and deleveraging on fixed costs because of lower revenue.

Other Income

At the end of the quarter, the Company closed the sale of a redundant property that previously served as the head office and distribution centre for The Brick in Edmonton. The sale closed on September 30, 2026 and cash proceeds of $21.4 million were received on October 1, 2026 due to the bank holiday. As a result, the Company accrued a gain on the sale of the property of $12.5 million. In the prior year, the Company recognized $0.7 million relating to a legal settlement with CURO Group Holdings Corp ("CURO"), as disclosed in its Q4 2024 report.

Adjusted Net Income [(1)] and Adjusted Diluted Earnings Per Share [(1)]

Adjusted net income for the quarter totaled $51.2 million, which represents an increase of $6.9 million over the prior year's quarter. Normalizing for the after-tax impact of the non-recurring items included in Other Income, adjusted net income for the quarter totaled $41.9 million compared to $43.9 million in the prior year, a decrease of $2 million or 4.6%.

The adjusted diluted earnings per share in the third quarter of 2026 was $0.74 per share, an increase of 13.8% over the prior year's quarter. Normalizing for the after-tax impact of non-recurring items included in Other Income, adjusted diluted earnings per share was $0.61 compared to $0.64 in the prior year.

Net Income and Diluted Earnings Per Share

Net income for the third quarter of 2026 was $50.9 million, or $0.74 per diluted earnings per share as compared to $0.73 per diluted earnings per share recorded in the prior year's quarter, an increase of $0.01 per share or 1.4% (net income of $50.3 million in the third quarter of 2025). These results were impacted by the gain on the sale of the redundant property described above, as well as an $8.0 million pre-tax gain on the mark-to-market of the Company's foreign exchange derivatives in the prior year.

(1) Please refer to the sections of this press release with the headings "Non-IFRS Financial Measures" and "Supplementary Financial Measures".

Dividends

As previously announced, the Company paid a quarterly dividend of $0.24 per common share on 7th day of October 2026 to shareholders of record. Today the Directors have declared a quarterly dividend of $0.24 per common share payable on the 7th day of January 2027 to shareholders of record at the close of business on the 10th day of December 2026. As of 2007, dividends paid by Leon's Furniture Limited are "eligible dividends" pursuant to the changes to the Income Tax Act under Bill C-28, Canada.

Outlook

Given the Company's strong and continuously improving financial position, its principal objective is to increase market share and profitability. LFL remains focused on effectively managing the Company's costs but to also continuously invest in the business to drive growth initiatives that will drive more customers to both our online eCommerce sites and our 304 store locations across Canada.

Non-IFRS Financial Measures

The Company uses financial measures that do not have standardized meaning under IFRS and may not be comparable to similar measures presented by other entities. The Company calculates the non-IFRS financial measures by adjusting certain IFRS measures for specific items the Company believes are significant, but not reflective of underlying operations in the period, as detailed below:

Non-IFRS Measure	IFRS Measure
Adjusted net income	Net income
Adjusted normalized net income	Net income
Adjusted income before income taxes	Income before income taxes
Adjusted earnings per share - basic	Earnings per share - basic
Adjusted earnings per share - diluted	Earnings per share - diluted
Adjusted EBITDA	Net income

Adjusted Net Income

The Company calculates comparable measures by excluding the effect of changes in fair value of derivative instruments, related to the net effect of USD-denominated forward contracts. The Company uses derivative instruments to manage its financial risk in accordance with the Company's corporate treasury policy. Management believes excluding from income the effect of these mark-to-market valuations and changes thereto, until settlement, better aligns the intent and financial effect of these contracts with the underlying cash flows.

Normalized Adjusted Net Income

The Company calculates comparable results by normalizing for non-recurring events and excluding the effect of changes in fair value of derivative instruments.

The following is a reconciliation of reported net income to normalized adjusted net income:

For the	Three months ended		Nine months ended	
(C$ in millions except per share amounts)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income	**50.9**	50.3	**107.4**	106.0
After-tax mark-to-market loss (gain) on financial derivative	0.3	(6.0)	(1.3)	1.9
Adjusted net income	**51.2**	**44.3**	**106.1**	**107.9**
After-tax-other-income	(9.3)	(0.4)	(9.3)	(2.5)
Normalized adjusted net income	**41.9**	43.9	**96.8**	105.2

Adjusted EBITDA

Adjusted earnings before interest, income taxes, depreciation and amortization, mark-to-market adjustment due to the changes in the fair value of the Company's financial derivative instruments and any non-recurring charges to income ("Adjusted EBITDA") is a non-IFRS financial measure used by the Company. The Company considers adjusted EBITDA to be an effective measure of profitability on an operational basis and is commonly regarded as an indirect measure of operating cash flow, a significant indicator of success for many businesses. The Company's Adjusted EBITDA may not be comparable to the Adjusted EBITDA measure of other companies, but in management's view appropriately reflects the Company's specific financial condition. This measure is not intended to replace net income, which, as determined in accordance with IFRS, is an indicator of operating performance.

The following is a reconciliation of reported net income to adjusted EBITDA:

For the	Three months ended		Nine months ended	
(C$ in millions)	**September 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Net income	**50.9**	50.3	**107.4**	106.0
Income tax expense	**17.1**	16.2	**35.4**	34.6
Net finance costs	**3.0**	3.8	**9.1**	9.6
Depreciation and amortization	**27.8**	27.9	**83.5**	82.5
Other Income	**(12.5)**	(0.7)	**(12.5)**	(3.5)
Mark-to-market loss (gain) on financial derivative	**0.4**	(8.0)	**(1.7)**	2.5
Adjusted EBITDA	**86.7**	89.5	**221.2**	231.7

Total System Wide Sales

Total system wide sales refer to the aggregation of revenue recognized in the Company's consolidated financial statements plus the franchise sales occurring at franchise stores to their customers which are not included in the revenue figure presented in the Company's consolidated financial statements. Total system wide sales is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS, but it is a key indicator used by the Company to measure performance against prior period results. Therefore, total system wide sales as discussed in this MD&A may not be comparable to similar measures presented by other issuers. We believe that disclosing this measure is meaningful to investors because it serves as an indicator of the strength of the Company's overall store network, which ultimately impacts financial performance.

Franchise Sales

Franchise sales figures refer to sales occurring at franchise stores to their customers which are not included in the revenue figures presented in the Company's consolidated financial statements, or in the same store sales figures in this MD&A. Franchise sales is not a measure recognized by IFRS, and does not have a standardized meaning prescribed by IFRS, but it is a key indicator used by the Company to measure performance against prior period results. Therefore, franchise sales as discussed in this MD&A may not be comparable to similar measures presented by other issuers. Once again, we believe that disclosing this measure is meaningful to investors because it serves as an indicator of the strength of the Company's brands, which ultimately impacts financial performance.

Supplementary Financial Measures

The Company uses supplementary financial measures to disclose financial measures that are not (a) presented in the financial statements and (b) is, or is intended to be, disclosed periodically to depict the historical or expected future financial performance, financial position or cash flow, that is not a non-IFRS financial measure as detailed above.

Same Store Sales

Same store sales are defined as sales generated by stores, both in store and through online transactions, that have been open for more than 12 months on a fiscal basis. Same store sales as discussed in this MD&A may not be comparable to similar measures presented by other issuers, however this measure is commonly used in the retail industry. We believe that disclosing this measure is meaningful to investors because it enables them to better understand the level of growth of our business.

About Leon's Furniture Limited

Leon's Furniture Limited is the largest retailer of furniture, appliances and electronics in Canada. Our retail banners include: Leon's; The Brick; Brick Outlet; and The Brick Mattress Store. Finally, with The Brick's Midnorthern Appliance banner alongside with Leon's Appliance Canada banner, this makes the Company the country's largest commercial retailer of appliances to builders, developers, hotels and property management companies. The Company has 304 retail stores from coast to coast in Canada under various banners. The Company operates six websites: leons.ca, thebrick.com, furniture.ca, midnorthern.com, transglobalservice.com and appliancecanada.com.

Cautionary Statement

This press release may contain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to vary materially from targeted results. Such risks and uncertainties include those described in Leon's Furniture Limited's periodic reports including the annual report or in the filings made by Leon's Furniture Limited from time to time with securities regulatory authorities.

This News Release may include certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to failure to identify beneficial business opportunities, failure to convert the potential in the pursued business opportunities to tangible benefits to the Company or its shareholders, the ability of the Company to counteract the potential impact of pandemics on factors relevant to the Company's business, delays in obtaining or failures to obtain required shareholder and TSX approvals, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, tariffs, safeguard measures, regulatory changes impacting demand for extended warranty contracts and other external economic changes, delays in the development of projects, and those risks set out in the Company's public documents filed on SEDAR+. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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