



LFL Group (Leon's Furniture Limited) Releases Record Revenue and Earnings for the Fourth Quarter Ended December 31, 2019 and Announces a 14.3% increase to its Dividend

TORONTO, ONTARIO February 26, 2020 – Leon's Furniture Limited ("LFL" or the "Company") (TSX: LNF), today announced financial results for the fourth quarter 2019.

Financial Highlights – Q4-2019

- Total system wide sales ⁽¹⁾ were \$751,267,000 in Q4-2019 compared to \$726,547,000 in Q4-2018.
- Achieved record revenue in the quarter of \$621,441,000 compared to \$601,660,000 in Q4-2018, an increase of 3.3%.
- Same-store sales ⁽¹⁾ increased 2.4% in Q4-2019 compared to Q4-2018.
- Adjusted diluted earnings per share ⁽¹⁾⁽²⁾ grew by 10.6% to a record \$0.52 in Q4-2019 from \$0.47 in Q4-2018 which excludes the impact of IFRS 16 in Q4-2019⁽³⁾
- Adjusted EBITDA ⁽¹⁾⁽³⁾ increased 41.5% in Q4-2019 to \$88,209,000 from \$62,362,000 in Q4-2018, excluding the impact of IFRS 16⁽³⁾ adjusted EBITDA increased 6% in Q4-2019 to \$66,123,000.
- Since acquiring The Brick Ltd. in 2013, over \$385,000,000 in total debt has been repaid to date and the Company is now in a net positive cash position.
- The Company increased its dividend from 14¢ to 16¢, an increase of 14.3%.
- During Q4-2019 the Company entered into an automatic share repurchase plan to enable it to repurchase common shares, under its Normal Course Issuer Bid, during the Company's blackout period.

Financial Highlights – Fiscal Year 2019

- Total system wide sales ⁽¹⁾ were \$2,728,584,000 in 2019 compared to \$2,684,759,000 in 2018.
- Revenue increased 1.9% to \$2,283,411,000 compared to \$2,241,437,000 in 2018.
- Same-store sales ⁽¹⁾ increased 1.1% in 2019 compared to 2018.
- Adjusted diluted earnings per share ⁽¹⁾⁽²⁾ grew by 13% to \$1.48 in 2019 compared to \$1.31 in 2018, excluding the impact of IFRS 16 on January 1, 2019.

⁽¹⁾ Refer to the "Non-IFRS Financial Measures" section of this press release for additional information on these measures.

⁽²⁾ For comparative purposes to the prior year's results, the adjusted diluted earnings per share amount of \$0.52 and \$1.48 for the three months and year ended December 31, 2019 in the highlights above has been adjusted to exclude the impact of the implementation by the Company of IFRS 16 beginning on January 1, 2019.

⁽³⁾ The Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach as a result the comparative periods have not been restated. Adjusted EBITDA for the three months ended December 31, 2019 (excluding the impact of IFRS 16) increased 6% in Q4-2019 to \$66,123,000.

Edward Leon, President and Chief Executive Officer of LFL Group commented, “LFL generated solid financial results in fiscal 2019, with revenue up just under 2% on a \$2.2 billion base, and adjusted diluted EPS growing 13% compared to a robust 2018 comparative period. We are particularly proud of our associates across the country for delivering a strong Q4 in what continued to be a challenging retail environment. Revenue generated by our eCommerce properties continued to grow at a double-digit rate during Q4 and we remain committed to investing in digital innovation to drive customers both to our eCommerce properties and to our 304 physical locations across the country.”

Mr. Leon continued, “In January, Fairfax Financial converted approximately \$48.5 million in convertible debentures into common shares of our Company. We have welcomed Fairfax’s investment in LFL Group since 2013 and have appreciated the confidence of their team over the past several years. Entering 2020, LFL is better positioned than ever. As anticipated, we have significantly deleveraged following the acquisition of The Brick in 2013 and are now sitting with a net cash position on our expanded balance sheet. We continue to focus on delivering top-line growth accompanied by strict cost controls in order to translate that growth into expanded earnings for our shareholders and executing on our strategic initiatives to position the Company for continued success.”

For a full explanation of the Company’s use of non-IFRS financial measures, please refer to the section of this press release with the heading “Non-IFRS Financial Measures”.

Summary of Financial Highlights

	For the three months ended December 31			
(000's of \$ except % and per share amounts)	2019	2018	\$ Increase	% Increase
Total system wide sales ⁽¹⁾	751,267	726,547	24,720	3.4%
Franchise sales ⁽¹⁾	129,826	124,887	4,939	4.0%
Revenue	621,441	601,660	19,781	3.3%
Same store sales ⁽¹⁾	600,226	586,049	14,177	2.42%
Gross profit margin as a percentage of revenue	44.87%	44.61%		
SG&A ⁽²⁾⁽³⁾	220,392	214,734	5,658	2.6%
SG&A ⁽²⁾⁽³⁾ as a percentage of revenue	35.46%	35.69%		
Adjusted EBITDA ⁽¹⁾⁽²⁾⁽⁴⁾	88,209	62,362	25,847	41.45%
Adjusted net income ⁽¹⁾⁽²⁾⁽⁵⁾	42,505	38,289	4,216	11.0%
Adjusted diluted earnings per share ⁽¹⁾⁽²⁾⁽⁵⁾	\$ 0.52	\$ 0.47	\$ 0.05	10.6%
Net income ⁽²⁾	39,334	38,785	549	1.4%
Common share dividends declared	\$ 0.14	\$ 0.14	\$ -	-

⁽¹⁾ Refer to the “Non-IFRS Financial Measures” section of this press release for additional information on these measures.

⁽²⁾ The Company implemented IFRS 16, “Leases”, on January 1, 2019 using the modified retrospective approach as a result the comparative quarter has not been restated.

⁽³⁾ Selling, general and administrative expenses.

⁽⁴⁾ Adjusted EBITDA in Q4-2019 (excluding the impact of IFRS 16) increased 6% to \$66,123,000.

⁽⁵⁾ For comparative purposes to the prior year’s quarter of 2018 the adjusted net income of \$42,505,000 and the diluted EPS amount of \$0.52 in Q4-2019 in the highlights table above has been adjusted and presented to exclude the impact of the implementation by the Company of IFRS 16 beginning on January 1, 2019. Refer to the “Non-IFRS Financial Measures” section of this press release.

Revenue

For the three months ended December 31, 2019, revenue was \$621,441,000 compared to \$601,660,000 in the prior year's fourth quarter. Revenue increased \$19,781,000 in the quarter or 3.3% as compared to the prior year's fourth quarter. This was driven by increased sales across all product categories, both in-store and online.

Same Store Sales ⁽¹⁾

Overall, same store corporate sales increased 2.42% compared to the prior year's fourth quarter.

Gross Profit

The gross profit margin for the fourth quarter 2019 increased from 44.61% to 44.87% compared to the prior year's fourth quarter.

Selling, general and administrative expenses ("SG&A")

Normalized for the impacts of IFRS 16 in the current quarter, SG&A as a percentage of revenue in the current quarter was reduced to 35.62% from 35.69% in the prior year's fourth quarter. This reduction was due to effectively managing overall SG&A expenses throughout the quarter while at the same time increasing advertising spend to drive customer traffic to both the retail stores and to the Company's websites.

Adjusted EBITDA ⁽¹⁾

Adjusted EBITDA increased \$25,847,000 in the quarter, an increase of 41.4% as compared to the prior year's quarter. This increase was driven primarily by two factors, the first is the implementation of IFRS 16 by the Company on a modified retrospective approach, which results in the prior year's quarter to not be restated, and the second was due to an increase in finance income that exclude the impact of IFRS 16. Under this new lease standard, the depreciation expense on leased assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis in operating income over the term of the lease. Therefore excluding the impact of implementing the new lease standard, adjusted EBITDA increased \$3,761,000 in the quarter, an increase of 6% over the prior year's quarter, with the remainder of the overall increase of \$22,086,000 driven by the change in the lease standard implemented by the Company on January 1, 2019.

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

Excluding the impact of the implementation of IFRS 16 in the current quarter, adjusted net income for the fourth quarter of 2019 totaled \$42,505,000 an increase of \$4,216,000 or 11% over the prior year's quarter. The Company's adjusted diluted earnings per share therefore increased by \$0.05 to \$0.52 per share, an increase of 10.6% over the prior year's quarter.

⁽¹⁾ Refer to the "Non-IFRS Financial Measures" section of this press release

Consolidated operating results for the year ended December 31, 2019 and December 31, 2018

(000's of \$ except % and per share amounts)	For the year ended December 31			
	2019	2018	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Total system wide sales ⁽¹⁾	2,728,584	2,684,759	43,825	1.6%
Franchise sales ⁽¹⁾	445,173	443,322	1,851	0.4%
Revenue	2,283,411	2,241,437	41,974	1.9%
Same store sales ⁽¹⁾	2,213,078	2,189,131	23,947	1.09%
Gross profit margin as a percentage of revenue	43.73%	43.58%		
SG&A ⁽²⁾⁽³⁾	830,495	825,276	5,219	0.6%
SG&A ⁽²⁾⁽³⁾ as a percentage of revenue	36.37%	36.82%		
Adjusted EBITDA ⁽¹⁾⁽²⁾⁽⁴⁾	290,785	188,756	102,029	54.1%
Adjusted net income ⁽¹⁾⁽²⁾⁽⁵⁾	121,783	106,691	15,092	14.1%
Adjusted diluted earnings per share ⁽¹⁾⁽²⁾⁽⁵⁾	\$ 1.48	\$ 1.31	\$ 0.17	13.0%
Net income ⁽²⁾	106,929	111,030	(4,101)	(3.7%)
Common share dividends declared	\$ 0.56	\$ 0.52	\$ 0.04	7.7%

⁽¹⁾ Refer to the "Non-IFRS Financial Measures" section of this press release for additional information on these measures.

⁽²⁾ The Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach as a result the comparative period has not been restated.

⁽³⁾ Selling, general and administrative expenses.

⁽⁴⁾ Adjusted EBITDA for year to date December 2019 (excluding the impact of IFRS 16) increased 7.25% to \$202,435,000.

⁽⁵⁾ For comparative purposes to the prior year's year to date December 2018 the adjusted net income of \$121,783,000 and the diluted EPS amount of \$1.48 for year to date December 2019 in the highlights table above has been adjusted and presented to exclude the impact of the implementation by the Company of IFRS 16 beginning on January 1, 2019. Refer to the "Non-IFRS Financial Measures" section of this press release.

Revenue

For the year ended December 31, 2019, revenue was \$2,283,411,000 compared to \$2,241,437,000 for the prior year. Revenue increased \$41,974,000, an increase of 1.87%, as we continue to see growth in most product categories.

Same Store Sales ⁽¹⁾

Overall, same store corporate sales increased 1.09% compared to the prior year ended December 31, 2018.

Gross Profit

The gross profit margin for the year ended December 31, 2019 was 43.73% as compared to 43.58% in the prior year, an increase of 15 basis points.

Selling, general and administrative expenses

Excluding the impact of IFRS 16, the Company's SG&A as a percentage of revenue for the year 2019 was 36.41% as compared to 36.82% in the prior year, a reduction of 41 basis points. This was primarily due to effectively managing the Company's payroll costs, digital commerce expenses and due to the continued effectiveness of maintaining robust operating leverage.

Adjusted EBITDA ⁽¹⁾

Adjusted EBITDA increased \$102,029,000 during the year ended December 31, 2019, an increase of 54.05% as compared to the prior year. This increase has been driven primarily by two factors, the first is the

implementation of IFRS 16 by the Company commencing on January 1, 2019 on a modified retrospective approach, which results in the prior year to not be restated, and the second was due to improvement in gross margin percentage in the current year aided by a higher degree of operating leverage and a reduction in net finance costs when excluding the impact of IFRS 16. Under the new lease standard, the depreciation expense on leased assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis in operating income over the term of the lease. Excluding the impact of implementing the new lease standard, adjusted EBITDA increased \$13,679,000 in the year, an increase of 7.25% from the prior year, with the remainder of the overall increase of \$88,350,000 driven by the change in the lease standard implemented by the Company on January 1, 2019.

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

Excluding the impact of the implementation of IFRS 16, adjusted net income in the year ending December 31, 2019 totaled \$121,783,000 an increase of \$15,092,000 or 14.15% over the year ending December 30, 2018. The Company's adjusted diluted earnings per share therefore increased \$0.17 to \$1.48 per share, an increase of 13% over prior year-to-date adjusted diluted earnings per share.

Dividends

As previously announced, we paid a quarterly 14¢ dividend on January 6, 2020. Today we are happy to announce that the Directors have declared an increase of the quarterly dividend to 16¢ per common share payable on the 9th day of April, 2020 to shareholders of record at the close of business on the 9th day of March, 2020. 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

Despite the continued uncertainty over certain key economic indicators, we believe that the overall economy remains relatively strong. Although it is difficult to gauge future consumer confidence and what impact it may have on retail, we remain confident that our sales and profitability will increase. Given the Company's strong and continuously improving financial position, our principal objective is to increase our market share and profitability. We remain focused on our commitment to effectively manage our costs but to also continuously invest in digital innovation that we believe will drive more customers to both our online eCommerce presence and our 304 physical locations across Canada.

⁽¹⁾ Refer to the "Non-IFRS Financial Measures" section of this press release

Store Network

The Company has 304 retail stores from coast to coast in Canada under the various banners indicated below which also includes 99 franchise locations. Including our franchises, there are over 10,000 employees across Canada.

The following table illustrates the Company's store count continuity from December 31, 2018 to December 31, 2019 by retail banner:

Corporate Stores	At December 31, 2018	Opened	Closed	At December 31, 2019
Leon's	50	2	—	52
Appliance Canada	5	—	—	5
The Brick ⁽¹⁾	113	2	—	115
The Brick Mattress Store	25	—	(1)	24
Brick Outlet	10	—	(1)	9
Corporate Subtotal	203	4	(2)	205
Franchise Stores				
Leon's	36	—	(2)	34
The Brick	64	2	(1)	65
Franchise Subtotal	100	2	(3)	99
Total Corporate & Franchise Stores	303	6	(5)	304

⁽¹⁾Includes the Midnorthern Appliance banner

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 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

For a reconciliation of the Company's non-IFRS financial measures please refer to the Company's MD&A for the quarter ended December 31, 2019, which is available on SEDAR at www.sedar.com.

Adjusted Net Income

Leon's 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 and an interest rate swap on the Company's term credit facility. The Company uses forward currency contracts to manage the risk associated with its USD-denominated purchases and an interest rate swap to manage interest rate risk on its term credit

facility 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.

The following two tables reconcile reported net income and earnings per share as stated in the Company's consolidated statement of income to adjusted net income and earnings per share excluding the impact of IFRS 16. As the Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach, the amounts listed in the table below related to the three months and year ended December 31, 2019 reflect lease accounting under IFRS 16 for net income, adjusted net income, basic and diluted earnings per share, and adjusted basic and adjusted diluted earnings per share. The comparative quarter of 2018 has not been restated. See Section 10, "Recent Accounting Pronouncements", of the Company's MD&A for additional information on the implementation of IFRS 16.

(\$ in thousands except per share amounts)	For the three months ended December 31		For the year ended December 31	
	2019	2018	2019	2018
Net Income ⁽¹⁾	39,334	38,785	106,929	111,030
After-tax mark-to-market (gain)/loss on financial derivative instruments	23	(496)	(102)	(4,339)
Adjusted net income ⁽¹⁾	39,357	38,289	106,827	106,691
Impact of IFRS 16 on an after-tax basis	3,148	-	14,956	-
Adjusted Net Income excluding impact of IFRS 16	42,505	38,289	121,783	106,691

⁽¹⁾ The Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach. As a result, the Company's three months and year ended December 31, 2019 reflects lease accounting under IFRS 16, the comparative periods have not been restated.

	For the three months ended December 31				For the year ended December 31			
	2019 ⁽¹⁾	IFRS 16 Adjustments	2019 ⁽²⁾	2018 ⁽¹⁾	2019	IFRS 16 Adjustments	2019 ⁽²⁾	2018
Basic earnings per share	\$ 0.51	\$ 0.04	\$ 0.55	\$ 0.51	\$ 1.38	\$ 0.19	\$ 1.57	\$ 1.45
Diluted earnings per share	\$ 0.48	\$ 0.04	\$ 0.52	\$ 0.48	\$ 1.30	\$ 0.18	\$ 1.48	\$ 1.36
Adjusted basic earnings per share	\$ 0.51	\$ 0.04	\$ 0.55	\$ 0.50	\$ 1.38	\$ 0.19	\$ 1.57	\$ 1.40
Adjusted diluted earnings per share	\$ 0.48	\$ 0.04	\$ 0.52	\$ 0.47	\$ 1.30	\$ 0.18	\$ 1.48	\$ 1.31

⁽¹⁾ As reported in the Company's Q4 2019 Consolidated Statements of Income for basic and diluted earnings per share amounts

⁽²⁾ These amounts exclude the impact of IFRS 16 adjustments in the current quarter

In 2016, the IASB issued IFRS 16, "Leases", replacing IAS 17 and related interpretations. The standard introduces a single, on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. The Company implemented the standard on January 1, 2019 using the modified retrospective approach. As a result, the Company's three months and year ended December 31, 2019 results reflected lease accounting under IFRS 16. Prior period results have not been restated. See Section 10, "Recent Accounting Pronouncements", in the Company's MD&A for more information on the implementation of IFRS 16.

The implementation of IFRS 16 significantly increased the assets and liabilities of the Company's balance sheet and changed the timing and presentation of lease-related expenses in the Company's financial results. The Company recorded a right-of-use asset of \$430,480,000 and a lease liability of \$414,940,000 under this new standard. Under IFRS 16, the depreciation expense on leased assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis in operating income under IAS 17 over the term of a lease.

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 currently regarded as an indirect measure of operating cash flow, a significant indicator of success for many businesses. Adjusted EBITDA is a non-IFRS financial measure used by the Company. The Company's Adjusted EBITDA may not be comparable to the Adjusted EBITDA measure of other companies, but in management's view appropriately reflects Leon'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:

(\$ in thousands)	For the three months ended December 31		For the year ended December 31	
	2019	2018	2019	2018
Net Income	39,334	38,785	106,929	111,030
Income tax expense	12,987	13,995	36,117	39,560
Net finance costs	6,113	1,545	25,184	6,928
Depreciation and amortization	29,745	8,719	122,695	37,156
Mark-to-market (gain)/loss on financial derivative instruments	30	(682)	(140)	(5,918)
Adjusted EBITDA	88,209	62,362	290,785	188,756

⁽¹⁾ The Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach. As a result, the Company's three months and year ended December 31, 2019 reflects lease accounting under IFRS 16, the comparative periods have not been restated.

Adjusted EBITDA excluding the impact of IFRS 16

(\$ in thousands)	For the three months ended December 31		For the year ended December 31	
	2019	2018	2019	2018
Adjusted EBITDA ⁽¹⁾	88,209	62,362	290,785	188,756
Impact of IFRS 16 (net)	(22,086)	-	(88,350)	-
Adjusted EBITDA excluding the impact of IFRS 16	66,123	62,362	202,435	188,756

⁽¹⁾ The Company implemented IFRS 16, "Leases", on January 1, 2019 using the modified retrospective approach. As a result, the Company's three months and year ended December 31, 2019 reflects lease accounting under IFRS 16, the comparative periods have not been restated.

Under IFRS 16, the depreciation expense on leased assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis in operating income under IAS 17 over the term of the lease. Normalized for the impact of increased depreciation and lease interest expenses due to the implementation of IFRS 16 on January 1, 2019, adjusted EBITDA increased \$3,761,000 in the quarter, an increase of 6% over the three months ended December 31, 2018 and increased \$13,679,000 in the year, an increase of 7.25% increase over the year ended December 31, 2018.

Same Store Sales

Same store sales are defined as sales generated by stores that have been open for more than 12 months on a fiscal basis and include online sales. Same store sales is not an earnings 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. 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.

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 are 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.

About Leon's Furniture Limited

LFL is the largest retailer of furniture, mattresses, appliances and electronics in Canada. Our retail banners include: Leon's; The Brick; The Brick Mattress Store; and The Brick Outlet. Finally, with the Midnorthern Appliance banner alongside the Appliance Canada banner, we are also the country's largest commercial retailer of appliances to builders, developers, hotels and property management companies. LFL has 304 retail stores from coast-to coast in Canada under various banners. As well, the Company operates three e-commerce sites: leons.ca, thebrick.com and its newest site, furniture.ca.

Forward-Looking Statements

Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, including future-oriented financial information and financial outlooks. This information is based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Forward-looking information is subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Company currently expects. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates, the timing and market acceptance of future products, and competition in the Company's markets.

To the extent any forward-looking information in this press release constitutes future-oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on assumptions and subject to risks, uncertainties and other factors. Actual results may differ materially from what the Company currently expects. Other than as required under applicable securities laws, the Company does not undertake to update any forward-looking information at any particular time. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. All forward-looking information contained in this press release is expressly qualified in its entirety by this cautionary statement.

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