

## HDI Announces \$87.5 Million Public Offering of Common Shares

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Langley, B.C., November 16, 2021 – Hardwoods Distribution Inc. (TSX:HDI) (“**HDI**” or the “**Company**”) today announced that it has entered into an agreement with Cormark Securities Inc. and National Bank Financial Inc., acting as co-leads and joint bookrunners, on behalf of a syndicate of underwriters (collectively, the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase 2,023,200 common shares (the “**Common Shares**”) from the treasury of the Company, at a price of \$43.25 per Common Share and offer them to the public by way of a short form prospectus for total gross proceeds of approximately \$87.5 million (the “**Offering**”).

In addition, the Company has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 15% of the Common Shares of the Offering on the same terms exercisable at any time up to 30 days following the closing of the Offering, for market stabilization purposes and to cover over-allotments, if any.

The net proceeds of the Offering shall be used to repay certain indebtedness of the Company and for working capital and general corporate purposes.

Closing of the Offering is expected to occur on or about December 7, 2021 and is subject to customary closing conditions and regulatory approvals, including that of the Toronto Stock Exchange (the “**TSX**”).

The Common Shares to be issued under the Offering will be offered by way of a short form prospectus in each of Provinces of Canada, and may be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, and applicable state securities laws, and certain other jurisdictions outside of Canada and the United States.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the *United States Securities Act of 1933*, as amended, and such securities may not be offered or sold within the United States absent registration under U.S. federal and state securities laws or an applicable exemption from such U.S. registration requirements.

### **About HDI**

HDI is one of North America’s largest suppliers of specialty building products to fabricators, home centers and builders servicing the new residential, repair and remodel, and commercial construction end-markets. The Company currently operates a network in North America of 83 distribution facilities in the United States and Canada. HDI’s common shares are listed on the TSX under the symbol HDI.

## Forward-Looking Statements

Certain statements in this press release contain forward-looking information within the meaning of applicable securities laws (“**forward-looking information**”). Forward-looking information is generally identifiable by the use of the words “shall”, “to be”, “may”, “will”, “expect”, “intends”, “can”, “could” and similar expressions. Forward-looking information in this press release includes statements regarding: the anticipated timing and closing of the offering; the anticipated use of the proceeds from the offering; required regulatory approvals in respect of the offering; the issuance of Common Shares pursuant to an exercise by the Underwriters of the Over-Allotment Options and the payment of any fees associated therewith; and the conditions to closing the offering.

In connection with the forward looking information contained in this press release, we have made numerous assumptions, regarding, among other things: all conditions to closing, including all regulatory approvals will be obtained met or waived; the Company’s ability to fulfill the listing requirements of the TSX; there are no material exchange rate fluctuations between the Canadian and U.S. dollar that will affect the Company’s performance prior to closing the offering; the general state of the economy does not worsen; there are no decreases in the supply of, demand for, or market values of hardwood lumber or sheet goods that could harm the Company’s business; the Company will not incur material losses related to credit provided to its customers; its products are not subjected to negative trade outcomes; the Company is able to sustain its level of sales and earnings margins; the Company is able to integrate acquired businesses; there is no new competition in the Company’s markets that leads to reduced revenues and profitability; the Company can comply with existing regulations and will not become subject to more stringent regulations; no material product liability claims; importation of components or other innovative products does not increase and replace products manufactured in North America; the Company’s management information systems upon which its depends are not impaired; the Company is not adversely impacted by disruptive technologies; an outbreak or escalation of a contagious disease, including the novel coronavirus, COVID-19, does not materially adversely affect the business; and, the Company’s insurance is sufficient to cover losses that may occur as a result of its operations.

The forward-looking information is subjects to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results to differ from current expectations include, but are not limited to: such risks and uncertainties described in the Company’s publicly filed documents (available on SEDAR at [www.sedar.com](http://www.sedar.com)); fluctuations in the market price of the Company’s Common Shares; dilution of shareholders as a result of further issuances of Common Shares; closing of the offering may be delayed or may not occur at all; and the Underwriters may terminate the Underwriting Agreement in accordance with its terms, including under the “disaster out” provisions contained therein, and as a result, the Company may not achieve its growth initiatives, business objectives and strategies.

All forward-looking information in this press release are qualified in its entirety by this cautionary statement. These statements are made as of the date of this press release and, except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise after the date hereof. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its financial or operating results or its securities.

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