



## **Flexsteel Announces Inducement Grant Under Nasdaq Listing Rule 5635(c)(4)**

April 10, 2020

DUBUQUE, Iowa--(BUSINESS WIRE)--Apr. 10, 2020-- Flexsteel Industries, Inc., (the "Company") (NASDAQ: FLXS) today announced that the Company granted Derek P. Schmidt, in connection with his appointment as the Company's Chief Financial Officer and Chief Operating Officer, an option to purchase 78,884 shares of the Company's common stock with a per share exercise price of \$9.97, the closing trading price of the Company's common stock on the grant date of April 6, 2020. The stock option vests on April 6, 2023 and has a ten-year term. The stock option was granted outside of the Company's Omnibus Stock Plan in accordance with Nasdaq Listing Rule 5635(c)(4) as an inducement material to Mr. Schmidt entering into employment with the Company. This option grant was previously disclosed, as part of the terms of Mr. Schmidt's Letter Agreement dated March 10, 2020, in a Current Report on Form 8-K filed with the Securities and Exchange Commission on March 18, 2020.

### About Flexsteel

Flexsteel Industries, Inc. and Subsidiaries (the "Company") was incorporated in 1929. The Company is one of the oldest and largest manufacturers, importers and marketers of residential and contract upholstered and wooden furniture products in the United States. Over the generations the Company has built a committed retail and consumer following based on its patented, guaranteed-for-life Blue Steel Spring™ – the all-riveted, high-carbon, steel-banded seating platform that gives upholstered and leather furniture the strength and comfort to last a lifetime. With offerings for use in home, hotel, healthcare, recreational vehicle, marine and office, the Company distributes its furniture throughout the United States & Canada through the Company's sales force and various independent representatives.

### Forward-Looking Statements

Statements, including those in this release, which are not historical or current facts, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are certain important factors that could cause our results to differ materially from those anticipated by some of the statements made herein. Investors are cautioned that all forward-looking statements involve risk and uncertainty. Some of the factors that could affect results are the cyclical nature of the furniture industry, supply chain disruptions, litigation, product recalls, the effectiveness of new product introductions and distribution channels, the product mix of sales, pricing pressures, the cost of raw materials and fuel, retention and recruitment of key employees, actions by governments including laws, regulations, taxes and tariffs, inflation, the amount of sales generated and the profit margins thereon, competition (both U.S. and foreign), credit exposure with customers, participation in multi-employer pension plans, impact of the COVID-19 crisis and general economic conditions. For further information regarding these risks and uncertainties, see the "Risk Factors" section in Item 1A of our most recent Annual Report on Form 10-K.

For more information, visit our web site at <http://www.flexsteel.com>.

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Source: Flexsteel Industries, Inc.