



CE Brands enters into financing arrangement for a \$12 million Secured Credit Facility and Appoints new CFO

CALGARY, Alberta, Dec. 19, 2022 -- CE Brands Inc. (TSXV: CEBI; CEBI.WT) ("CE Brands", "we", "our", or the "Company"), a data-driven consumer-electronics company, today announced that it has entered into a binding financing arrangement with Vesta Wealth Partners Ltd. ("Vesta"), pursuant to which Vesta will provide a secured revolving credit facility of up to CA\$12,000,000 (or US dollar equivalent) to the Company (the "Credit Facility") to be used for the working capital needs of the Company.

"With the current and forecasted sales, the company required a solution to achieve our rapid growth target; we are very pleased to announce this financing solution to support the revenue-generating potential of our expanding portfolio of branded products," said Craig Smith, CEO of CE Brands. "Now the historical issues faced by many manufacturing and distribution companies in the last 36 months seem to be behind us, we believe that this financing will provide sufficient near-term working capital to allow us to build on the strong momentum of our most recent product launches and to continue to progress towards our objectives in 2023" continued Mr. Smith."

In addition, the Company is pleased to announce that effective January 2, 2023, Carolyn Scissions (CPA, CMA, MBA) is being appointed as its chief financial officer. After having served as VP Finance for CE Brand's since October 2022. Ms. Scissions has over 10 years of experience in financial reporting, audit, and planning. We would like to thank Mr. Chhaya for temporarily filling in as CFO for the business recently, he will remain on with CE Brand's wholly-owned subsidiary, eBuyNow eCommerce within the finance team to support the office of the CFO.

Vesta Credit Facility

The Company has entered into a financing arrangement with Vesta, pursuant to which Vesta has agreed to provide a secured revolving credit facility of up to CA\$12,000,000 to the Company to be used for the working capital needs. The Credit Facility will be based upon the lending formulas of up to ninety (90%) percent of the net amount of eligible accounts receivable of any one purchase order. Eligible accounts receivable and the net amounts thereof will be determined by us pursuant to general criteria which will be set forth in the loan documentation filed on SEDAR. Interest Rates in respect of loan obligations will be one 1% percent of all outstanding Amounts per month, calculated daily and payable. The Credit Facility will be secured by general security agreements over all present and futures assets of the Company. . Although the financing arrangement requires certain conditions for financing to occur, including the negotiation and completion of certain definitive agreements, the Company drew down its first advance under this Credit Facility of US\$231,229, on December 16, 2022.

Required Disclosure under MI 61-101

The board of directors of CE Brands (the "Board") has determined that the entering into of the Credit Facility will constitute a "related party transaction" for the purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), as it will involve the Company borrowing money from an entity over which Vesta Wealth Partners Ltd., a "related party" of the Company pursuant to MI 61-101, exercises certain discretionary control. The Board has determined that the entering into of the Credit Facility will be exempt from both the formal valuation requirements and minority approval requirements of MI 61-101 for related party transactions by virtue of Sections 5.5(g) and 5.7(e) of MI 61-101. A further discussion and description of the review and approval process adopted by the independent members of the Board (the "Independent Directors") and other information required by MI 61-101 in connection with the entering into of the Credit Facility will be set forth in the Company's material change report to be filed under the Company's SEDAR profile at www.sedar.com. Such material change report will not be not filed at least 21 days prior to entering the Credit Facility as contemplated by MI 61-101. The Company believes that this shorter period is reasonable and necessary in the circumstances, given the Company's liquidity and working capital constraints, and as the entering of the Credit Facility occurred shortly before the issuance of such material change report. ***This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities of the Company in the United States nor shall there be any sale of securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States. Accordingly, any of the securities described herein may not be offered or sold in the United States or to U.S. persons unless an exemption from registration is available.***

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please visit www.cebrands.ca.

To be added to the CE Brands' distribution list please register at www.cebrands.ca/investors.

About CE Brands

CE Brands Inc. develops products with leading manufacturers and iconic brand licensors by utilizing proprietary data that

identifies key market opportunities. With sales today in over 70 countries, our innovative, highly repeatable process, which we call the “CE Method”, has created an optimal growth path for CE Brands to be the premier global licensed brand manufacturer.

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable securities laws. In general, forward-looking information refers to disclosure about future conditions, courses of action, and events. The use of any of the words “anticipates”, “believes”, “expects”, “intends”, “plans”, “will”, “would”, and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this press release includes forward-looking information with respect to the anticipated availability of funding through the Credit Facility, the potential terms of the Credit Facility, including the maximum amount of the Credit Facility; and the Company’s beliefs about market trends and its anticipated progress on achieving its objectives .

The forward-looking information is based on certain key expectations and assumptions, including the receipt of all regulatory, Vesta and third party approvals for the Credit Facility and that the Company and Vesta and any required third parties will successfully negotiate and execute definitive agreements in relation to the Credit Facility. If the Company fails to secure additional financing and/or complete the draws under the Credit Facility, then the Company may have insufficient liquidity and capital resources to operate its business resulting in material uncertainty regarding the Company’s ability to meet its financial obligations as they become due and continue as a going concern.

Although CE Brands believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because CE Brands cannot give any assurance that it will prove to be accurate. By its nature, forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed in this news release. Such risks and uncertainties include, among others: the failure of the Company to obtain any required regulatory or TSXV approvals in relation to the Credit Facility; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board of directors, third party or regulatory approvals; the actual results of CE Brands’ future operations; competition; changes in legislation affecting CE Brands; the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; the impact of the evolving Covid-19 pandemic on the Company’s business, operations and sales; reliance on third party manufacturers and suppliers; the Company’s ability to stabilize its business and secure sufficient capital, including the funding under various credit facilities or other financing arrangements, which may not be available in a timely manner or at all; the Company’s available liquidity being insufficient to operate its business and meet its financial commitments, which could result in the Company having to refinance or restructure its debt, sell assets or seek to raise additional capital, which may be on unfavorable terms, if available at all; the inability to implement the Company’s objectives and priorities for 2022 and beyond, which could result in financial strain on the Company and continued pressure on the Company’s business; delay in anticipated product launches and commercial partnerships; risks associated with developing and launching new products; increased indebtedness and leverage; the fact that historical and projected financial information may not be representative of the Company’s future results; the inability to position the Company for long-term growth; risks associated with issuing new equity including the possible dilution of the Company’s outstanding Common Shares; the value of existing equity following the completion of any financing transaction; the Company defaulting on its obligations, which could result in the Company having to file for bankruptcy or undertake a restructuring proceeding; and the Company being put into a bankruptcy or restructuring proceeding. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in CE Brands’ disclosure documents on the SEDAR website at www.sedar.com. Although CE Brands has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of CE Brands as of the date of this news release and, accordingly, is subject to change after such date. However, CE Brands expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

Further Information

For further information about CE Brands or its principal operating subsidiary, eBuyNow eCommerce Ltd., please contact:

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