

Aegis Brands Inc. secures \$28 million Development Line of Credit from CWB

The line of credit will support Aegis' expansion in the food and beverage industry.

TORONTO, December 7, 2021 -- Today, Aegis Brands Inc. (TSX: AEG) ('Aegis') finalized a new development line of credit (DLOC) from CWB Franchise Finance, a CWB Financial Group partner company ('CWB'), for \$28 million CAD. The DLOC will be used to continue Aegis' growth in Canada's food service industry through acquisition. The DLOC is available for 36 months and is subject to a variable interest rate of prime plus 2.75%.

The DLOC from CWB, in addition to an existing and unused \$2 million line of credit, presents Aegis with the resources it needs to invest in food service companies across the country and expand its presence in the food and beverage industry. Aegis intends to use these funds for new acquisitions and growth of existing and acquired brands. Aegis may finance acquisitions through a combination of an equity raise, CWB debt and issuing Aegis stock to the vendors of any brand joining the Aegis roster. "It is important to the future of the acquired brand, and shareholders of Aegis, that entrepreneurs stay involved and can participate in the growth of Aegis post-closing. Alignment is prerequisite for any deal we will look at" said Steven Pelton, President and CEO of Aegis Brands Inc.

"We're happy to receive this line of credit from CWB, one of Canada's leading lenders in the restaurant and hospitality space," continued Pelton, "Not only does this line of credit give us the ability to acquire great brands in the F&B space, but it is also an acknowledgement of Aegis's strategy of assembling great brands, and great leaders and allowing them to grow with our support. Additionally, Aegis will be able to capitalize on the exceptional track record and experience the board and management already possess in this sector.

2021 has proven that consumers are eager to return to restaurants and food service locations, creating an opportunity to invest in the food industry. The hospitality industry is expected to make a strong comeback, with full-service restaurant sales expected to grow from \$25.6 billion in 2021 to \$35.2 billion in 2022, according to Restaurants Canada. Meanwhile many quick service brands have seen steady or increasing revenue since the middle of 2020. The outlook for Fast Casual and QSR brands that have embraced delivery, order ahead and other digital enhancements adopted during the pandemic looks promising.

"We know that Aegis is ready for significant growth as they expand in the food and beverage space," said Jacob Mancini, Assistant Vice President, Restaurant & Brewery Finance at CWB. "The company's success with Bridgehead is a testament to their commitment to the industry. We look forward to strengthening this already beneficial relationship as they continue to grow."

With 20-plus years of experience in the restaurant industry, CWB is a leading lender to the Canadian hospitality industry. To date, they've invested over \$3.5 billion in the Canadian restaurant and hotel space, with more than 900 clients.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of Canadian securities laws. These forward-looking statements contain statements of intent, belief or current expectations of Aegis. Forward-looking information is often, but not always identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook.

The forward-looking statements included in this press release, including statements regarding the nature of Aegis' growth strategy going forward, the use of CWB's financing for new acquisitions and brand growth and the expected comeback of the hospitality industry, are not guarantees of future results and involve risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements.

Risks and uncertainties that may cause such differences include but are not limited to: risks that the sale of Hemisphere may have a negative impact on the market price and liquidity of Aegis' common shares; risks related to the company's strategy going forward; the ability to source, complete and integrate acquisition targets; risks related to the COVID-19 pandemic; and other risks inherent in the industry in which Aegis operates. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Additional information on these and other factors that could affect Aegis' operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

In respect of the forward-looking statements and information included in this press release, Aegis has provided such in reliance on certain assumptions that it believes are reasonable at this time, including the ability of the company to manage the risks (economic, operational, financial, and other risks) associated with the COVID-19 pandemic, the ability of the company to identify new acquisition opportunities and to successfully integrate past and future acquisition targets into the company's business, and the company's ability to generally execute on its strategy going forward.

The forward-looking statements in this press release are made as of the date it was issued and Aegis does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

About Aegis Brands Inc.

Aegis Brands Inc. currently owns and operates Bridgehead Coffee. The company's vision is to build a portfolio of amazing brands that can grow and flourish with access to Aegis' resources and expertise. The company is committed to letting each brand operate independently while providing shared expertise to help them thrive.

For more information, please visit aegisbrands.ca.

Note to Editors:

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