

Aegis Brands Announces Shareholder Approval of Sale of Second Cup Coffee Co. to Foodtastic

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Aegis Brands Inc.

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MISSISSAUGA, ON, April 7, 2021 /CNW/ - Aegis Brands Inc., ("Aegis" or the "Company") (TSX: **AEG**) today announced that the proposed sale of substantially all of the assets comprising its specialty coffee brand "Second Cup Coffee Co." to an affiliate of Montréal-based Foodtastic Inc. (the "Transaction") was overwhelmingly approved by common shareholders at the Company's special meeting held virtually on April 7, 2021 (the "Meeting").

The special resolution approving the Transaction was approved by the affirmative vote of 99.62% of the votes represented at the Meeting.

The Transaction remains subject to the satisfaction or waiver of a number of conditions, including but not limited to the receipt of certain third-party consents, and is expected to close in April 2021.

The Company's full report of voting results on the special resolution is available on SEDAR at www.sedar.com.

About Aegis Brands Inc.

Founded in 1975, Aegis Brands Inc., formerly The Second Cup Ltd., is a Canadian specialty coffee retailer operating franchised and company-owned cafés across Canada. In November 2019, the Company announced its intention to implement a new operating structure in support of its new strategy. The Company now owns and operates the existing Second Cup Coffee Co.

specialty coffee business as part of a portfolio of brands that also includes Bridgehead and Hemisphere Cannabis Co. For more information, please visit www.aegisbrands.ca or find the Company on Facebook and Twitter.

Cautionary Note on 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 Transaction, the receipt of certain third-party consents and satisfaction of other closing conditions and the expected timeline for the closing of the Transaction, 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. 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 assumptions as to the ability of the parties to satisfy, in a timely manner, the remaining conditions to the closing of the Transaction and obtain the required third-party consents, the ability of the Company to manage the risks (economic, operational, financial, and other risks) associated with the COVID-19 pandemic, and the Company's ability to generally execute on its strategy going forward. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

Risks and uncertainties that may cause such differences include but are not limited to: the risk that the Transaction may not be completed on a timely basis, if at all; risks that the conditions to the consummation of the Transaction may not be satisfied; the risk that the Transaction may involve unexpected costs, liabilities or delays; the risk that, prior to the completion of the Transaction, Aegis' business may experience significant disruptions, including loss of customers or employees, due to transaction-related uncertainty or other factors; the possible occurrence of an event, change or other circumstance that could result in termination of the Transaction; risks that the Transaction may have a negative impact on the market price and liquidity of the common shares; risks related to the diversion of management's attention from Aegis' ongoing business operations; risks related to the Company's strategy going forward; risks related to the COVID-19 pandemic; and other risks inherent in the industry in which Aegis operates.

The risks associated with the COVID-19 pandemic include: the ultimate extent, duration and severity of the pandemic itself and the associated government restrictions; effects on consumer and commercial behavior and other factors associated with or resulting from such pandemic,

including that the outbreak of the COVID-19 pandemic could result in additional cafés temporarily suspending operations; a decrease in the willingness of guests to patronize the Company's cafés; shortages of employees to staff the Company's cafés; interruption of supplies from third parties upon which the Company relies; the imposition of governmental regulations that adversely impact the Company's business; the availability of the Canada Emergency Commercial Rent Assistance program; landlord willingness to consider franchisees' requests for deferrals of rent or loan repayments and/or the Company's requests to amend or terminate certain café leases; that franchisees may request that the Company take certain steps to support its franchisees (whether financially or otherwise); and that the pandemic and the consumer, governmental and commercial response to it could materially impact economic activity in general and otherwise have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effects could be rapid and unexpected.

Failure to obtain the requisite approvals or the failure of the parties to otherwise satisfy the conditions to or complete the Transaction, may result in the Transaction not being completed on the proposed terms, or at all. In addition, if the Transaction is not completed, and Aegis continues in its current form, the announcement of the Transaction and the dedication of substantial resources of Aegis to the completion of the Transaction could have a material adverse impact on Aegis' share price, its current business relationships (including with future and prospective employees, customers and partners) and on the current and future operations, financial condition and prospects of Aegis. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Readers are cautioned that the foregoing list of factors is not exhaustive. 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).

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. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that outcomes implied by forward-looking statements will not be achieved. Aegis cautions readers not to place undue reliance on these statements.

SOURCE Aegis Brands Inc.

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