Aegis Brands Reports Fourth Quarter and Year End Results
Aegis's new beginning with St. Louis Bar and Grill as its primary asset

Toronto, ON, March 20th, 2023 -- Today, Aegis Brands Inc. ("Aegis" or the "Company") (TSX: AEG) has reported financial results for the fourth quarter and year end as of December 25th, 2022.

Highlights:
- Aegis closed the St. Louis Bar and Grill Transaction on November 17th, 2022. Early results are encouraging.
- System Sales at Bridgehead in fourth quarter and the year increased by 20.0% and 21.4% respectively
- Aegis' Net Loss for the quarter and year was $2,373,000 ($0.09 per share) and $9,248,000, ($0.38 per share) respectively. Adjusted Net Loss for the year was $4,084,000, ($0.16 per share) when adjusted for asset impairment charges including the $4,903,000 impairment charge recorded on Kiaro shares
- Aegis' EBITDA Loss in the year was $7,842,000 or $2,581,000 when adjusted for asset impairment charges

St. Louis Bar & Grill

On November 17th Aegis closed the St. Louis Bar and Grill ("St. Louis") transaction. Since closing, the brand has produced Same Store Sales[1] of positive 24.7%. The brand will open its 75th store in Jagare Ridge, Alberta this week, bringing the total number of stores in Alberta to 4. By the end of the year, St. Louis expects to be in 6 provinces across the country. New store growth is a focus they have a vast pipeline of potential new franchisees to facilitate their growth ambitions. In an era of high inflation/interest rates and rising construction costs they are identifying new approaches to enhance franchisee cash flow: "Franchisee profitability is at the core of what this brand has always done, and we continue to run the business with this as our focus" said Steven Pelton, President and CEO of Aegis. "We are uncovering new sources of revenue to increase store level profitability. In a time of inflationary pressure and higher interest rates, optimizing franchisees' cash flow is necessary to open new stores with confidence of their success." continued Pelton.

"All you can eat boneless" ("AYCE boneless") Limited Time Offer ("LTO") ran from the beginning of the year until Superbowl. The ACYE drove incremental sales of 10.1% Same Store Sales over 2019, improved guest traffic by 13% versus the following 4-week period and provided the franchisees with an improved LTO food cost comparable to the system average. Offers like the recent AYCE are the best examples of ways in which the home office can support the franchisees' bottom line while driving important traffic.

This week, the St. Louis brand officially launches their partnership with TikTok and Loop Media to provide highly engaging and entertaining content on TV screens across their restaurants. The exclusive St. Louis TikTok channel will feature thousands of the platform's most engaging and visually appealing videos for all audiences. The content is curated specifically for a no audio, visually focused setting like their dining rooms and bars. This is the first partnership of this scale between TikTok and a hospitality brand in Canada. The platform also allows streaming of St. Louis-specific advertisements in between the content line-up. Furthermore, the franchisees

[1] Non-IFRS measure, see "Non-IFRS Measures" below.

benefit from an advertising revenue sharing program which further contributes to the store level profitability.

St. Louis has partnered with the Hockey Hall of Fame to become the official restaurant partner of the Hall. This allows for the use of exclusive partnership and marks in promotional materials, LTOs, menus and beyond. The Hockey Hall of Fame provides a unique opportunity to harness the passion the consumer has with the game of hockey and to gain a competitive advantage through association and compelling promotional initiatives.

Bridgehead

Sales at Bridgehead coffeehouses improved throughout the fourth quarter with most of the gain realized in the downtown Ottawa locations as more workers return to the office. Management is optimistic that the new mandate of at least two days in the office for federal government workers by the end of March will further improve the stores that have been the slowest to recover from the pandemic. The Carleton University location has become the best performing store since the return of students on campus in September. “We realize and are realistic about the new landscape of the coffeehouses in Ottawa, however we believe the return to office work is not yet complete. Additionally, we are looking to replicate the success of our Carleton location by developing more non-traditional sites. The Bridgehead brand is strong, the coffee quality is second-to-none and the goal of buying organic and fairly traded coffee provides the opportunity to expose more and more Canadians to the Bridgehead experience.” said Kate Burnett, President of Bridgehead.

The wholesale business continues to progress by adding more locations each quarter while existing locations with Farm Boy and Costco are performing well. 2022 saw a 30% increase in the wholesale business over 2021. The food service business and hospitality sectors are being explored in hopes to find more opportunities to get the coffee into the hands of new customers. The ecommerce business has seen a drop of 28.5% to last year. As Bridgehead locations are open without restriction and more and more grocery outlets are selling Bridgehead coffee, the demand for ecommerce sales has naturally subsided.

The leadership team at Bridgehead continues to explore new ways to tell the Bridgehead story, get new guests in the coffeehouses, and have more communities with Bridgehead coffee brewed in their homes. “Although the coffee industry is crowded, there are few if any companies in Canada with the heritage and the quality of Bridgehead. With over 40 years of doing what is right for the earth and for the people who produce our coffee, we need to introduce as many Canadians as possible as we grow this brand outside of Ottawa.” said Burnett.

Aegis Brands Inc.

Aegis has executed the first step of its post-pandemic plan by acquiring a meaningful, cash producing business in St. Louis. “It has been a challenging three years in which we made many moves to position this company for a bright future. With the recent St. Louis acquisition, the Company is poised to realize significant organic growth within our brands while continuing to look for accretive acquisitions that can grow and benefit from being under the Aegis umbrella.” said Pelton.

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 and Aegis' execution on any of its potential plans (including with respect to the growth and development of Bridgehead Coffee, St. Louis Bar and Grill and identification of future acquisition targets), 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 related to the Company's strategy going forward; risks related to the rising interest rates and inflationary pressures on the cost of doing business; 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) 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.

NON-IFRS MEASURES

Aegis measures the success of its business in part by employing several key performance indicators referenced herein that are not recognized under IFRS, including "System Sales", "Same Store Sales" and EBITDA. These indicators should not be considered an alternative to IFRS financial measures, such as net income, and are presented in this presentation because management of Aegis believes that such measures are relevant in interpreting the performance of its business. As non-IFRS financial measures do not have standardized definitions prescribed by IFRS, they are less likely to be comparable with other issuers or peer companies.

A description of the non-IFRS measures used by Aegis in measuring its performance and a reconciliation of certain non-IFRS measures to the nearest IFRS measure is included in Aegis' management's discussion and analysis for the year ended December 25, 2022 available on SEDAR at www.sedar.com.

Fourth Quarter – Aegis Brands

13 weeks ended December 25, 2022:

Net loss to EBITDA and Adjusted EBITDA:

(In thousands of Canadian dollars)	**2022**	**2021**
Net loss	$ (2,373)	$ (2,131)
Add (deduct):		
Net loss from discontinued operations	-	1,129
Income tax expense (recovery)	(1,460)	(292)
Interest and financing charges	956	163
Other loss (income)	(58)	(1,003)
Depreciation of property and equipment	163	146
Amortization of intangible assets	109	-
Amortization of right-of-use assets	219	1
EBITDA	$ (2,444)	$ (1,987)
Add impact of the following:		
Asset impairment charges	646	2,184
Adjusted EBITDA	$ (1,798)	$ 197

Net loss to adjusted net loss:

(In thousands of Canadian dollars)	**2022**	**2021**
Net loss	$ (2,373)	$ (2,131)
Add (deduct):		
Net loss from discontinued operations	-	1,129
Asset impairment charges	646	2,184
Other loss (income)	(58)	(1,003)
Adjusted net loss	$ (1,785)	$ 179

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Net loss per share to adjusted net loss per share:

(In Canadian dollars)	2022	2021
Net loss per share	$ (0.09)	$ (0.09)
Add (deduct):		
Net loss per share from discontinued operations	$ -	$ 0.05
Asset impairment charges per share	$ 0.02	$ 0.09
Other loss (income) per share	$ (0.00)	$ (0.04)
Adjusted net loss per share	$ (0.07)	$ 0.01

Full Year – Aegis Brands

52 weeks ended December 25, 2022:

Net loss to EBITDA and Adjusted EBITDA:

(In thousands of Canadian dollars)	2022	2021
Net loss	$ (9,248)	$ (7,914)
Add (deduct):		
Net loss from discontinued operations	-	3,052
Income tax recovery	(1,460)	(404)
Interest and financing charges	1,239	493
Other income	(97)	(1,003)
Depreciation of property and equipment	642	761
Amortization of intangible assets	109	-
Amortization of right-of-use assets	973	1,084
EBITDA	$ (7,842)	$ (3,931)
Add impact of the following:		
Asset impairment charges	5,261	2,184
Adjusted EBITDA	$ (2,581)	$ (1,748)

Net loss to adjusted net loss:

(In thousands of Canadian dollars)	2022	2021
Net loss	$ (9,248)	$ (7,914)
Add (deduct):		
Net loss from discontinued operations	-	3,052
Asset impairment charges	5,261	2,184
Other income	(97)	(1,003)
Adjusted net loss	$ (4,084)	$ (3,681)

Net loss per share to adjusted net loss per share:

(In Canadian dollars)	2022	2021
Net loss per share	$ (0.38)	$ (0.34)
Add (deduct):		
Net loss per share from discontinued operations	$ -	$ 0.13
Asset impairment charges per share	$ 0.22	$ 0.09
Other loss (income) per share	$ 0.00	$ (0.04)
Adjusted net loss per share	$ (0.16)	$ (0.16)

For more information, please visit aegisbrands.ca.

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