AEGIS BRANDS ANNOUNCES AGREEMENT TO SELL ASSETS OF BRIDGEHEAD COFFEE

TORONTO, Jan. 29, 2024 /CNW/ - Aegis Brands Inc. (TSX: AEG) is pleased to announce that its wholly-owned subsidiary, Bridgehead (2000) Inc. has entered into an agreement of purchase and sale with Pilot Coffee Group of Companies. The agreement is to sell the assets of its roasting, wholesale and coffeehouse business, excluding certain specified assets, for a purchase price of $3,500,000 in cash and the assumption of certain liabilities.

"This strategic divestiture allows us to build on the momentum of the St. Louis brand. In Q4 2023, St. Louis increased same store sales by 9.4% and has further improved on this trend thus far in 2024. We know there is significant growth yet to be realized with this brand and we are focused on creating shareholder value with this great asset" said Steven Pelton, President and CEO of Aegis Brands. "We are equally committed to our new St. Louis spinoff concept, Wing City, which opened its first Toronto location in late December and will open its second in February."

"Pilot Coffee Roasters is so very excited that Bridgehead will be joining our family. Bridgehead and Pilot Coffee Roasters share the same core values of offering customers world-leading specialty coffee and giving back into the communities in which they serve, both locally and globally. With Bridgehead's focus on organic coffee, it will strengthen even more our exceptional range of specialty coffee products and services to our customers across Canada" said Bruce Miller, CEO of Pilot Coffee Roasters. "With both brands in the portfolio it will bring the company to its continued goal of being Canada's leader in specialty coffee. We look forward to continuing to build on the legacy of both trusted brands and delivering exceptional coffee experiences to all our customers as we embark on this new journey together."

The transaction has been approved by the directors of Aegis Brands and a special resolution of Bridgehead and is expected to close in the first quarter of 2024. Proceeds from the transaction will be used to reduce debt and for general working capital purposes.

About Aegis Brands

Aegis Brands currently owns and operates St. Louis Bar and Grill, Wing City bySt. Louis and Bridgehead Coffee. The Company's vision is to build a portfolio of amazing brands that can grow and flourish with access to Aegis Brands' 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 www.aegisbrands.ca.

About Pilot Coffee Roasters

Pilot Coffee Roasters is a leading specialty coffee roaster, online retailer, wholesale, educator and café operator that operates all across Canada. The company follows a sourcing philosophy that positively impacts coffee communities, and roast at the vanguard of innovation to create an unparalleled sensory experience for their customers. For more information, please visit www.pilotcoffeeroasters.com.

Forward Looking Statements

Certain information contained in this news release are not statements of historical fact and are "forward-looking" statements. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements regarding the Company's expectations with respect to the completion of the Transaction.

In making the forward-looking statements in this news release, the Company has applied certain factors and assumptions that are based on information currently available to the Company as well as the Company's current beliefs and assumptions. These factors as well as the risk factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR atwww.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and all forward-looking statements in this news release are qualified by these cautionary statements.

The forward-looking statements in this news 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.

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For further information: Media and investor queries, Tara Ramsay, tramsay@aegisbrands.ca

CO: Aegis Brands Inc.

CNW 08:30e 29-JAN-24