CE Brands Reports First Quarter 2022 Results and Additional Lockup of Shares

VICTORIA, British Columbia, Aug. 25, 2021 (GLOBE NEWSWIRE) -- CE Brands Inc. (TSXV: CEBI; CEBI.WT) ("**CE Brands**"), a data-driven consumer-electronics company, today announced its financial results for the three-month period ended June 30, 2021 ("Q1 2022"). Currency amounts are in Canadian dollars unless otherwise noted.

Further, CE Brands announces the lockup of an additional 1,555,000 shares from early-stage investors in eBuyNow eCommerce Ltd. prior to the RTO (as defined below). The lockup is a 12 month voluntary lockup agreement.

Q1 2021 Highlights

- Total revenue decreased 56% in Q1 2022 compared to Q1 2021. The decrease in revenue was primarily attributable to constrained working capital within the quarter, prior to the RTO, which resulted in the inability to procure inventory for sale.
- Gross profit decreased by 84% in Q1 2022 compared to Q1 2021. This was due to lower sales within the quarter and an increased proportion of total sales coming from the Moto360 product line at a lower gross margin.
- Net loss of $2.7 million in Q1 2022 from $2.9 million in Q1 2021. The decrease in net loss was due to the focus on controlling expenses in response to the ongoing COVID-19 pandemic as well as fair value gains on financial instruments in Q1 2022.
- Global supply constraints on semiconductor chip manufacturing has impacted the operations and profitability of the Company and will continue to do so in the future, the impact of which is not known at this time.
- On June 18, 2021, eBuyNow eCommerce Ltd. completed a reverse takeover transaction with CE Brands, which constituted a qualifying transaction (as defined in the policies of the TSX Venture Exchange) for CE Brands (the "**RTO**") involving EBN.
- In connection with the Transaction, CE Brands completed a public offering (the "**Offering**") of 4,156,626 subscription receipts for gross proceeds of $17,250,000.

"CE Brands took a major step forward in Q1 2022 in closing our RTO and closing of an oversubscribed public offering of $17.25mm in June," said Chief Executive Officer and Chairman Craig Smith. "The whole company is focused on using our internal data to drive our target to be selling globally in 192 product categories in the next 5 years. The manufacturing industry as a whole is experiencing major supply chain and inventory challenges, the closing of the Offering has enabled us to plan long lead time orders accordingly and roll out global launches into the initial 8 product categories this fiscal year."

	Three months ended June 30, 2021	**Three months ended June 30, 2020**
Total revenue	1,115,143	2,553,316
Net loss	(2,689,563)	(2,929,247)
Total comprehensive loss	(2,755,889)	(3,237,666)
Basic and Diluted Loss per share	(0.14)	(0.20)

Financial Statements

CE Brands's condensed interim consolidated financial statements and Management's Discussion and Analysis for Q1 2022 are available on www.cebrands.ca and www.sedar.com.

For more information, please see CE Brands' corporate presentation at www.cebrands.ca.

About CE Brands

CE Brands Inc. (TSXV: CEBI; CEBI.WT) 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.

Neither the TSX Venture Exchange nor its regulation services provider (as defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Further Information

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

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