



SIMPLY BETTER BRANDS CORP. ANNOUNCES FIRST QUARTER 2022 FINANCIAL RESULTS AND OUTLOOK FOR CONTINUED GROWTH IN 2022

Fueling channel, category and geographic growth in plant-based food and beverage, health & beauty

VANCOUVER, BC – May 30, 2022 - Simply Better Brands Corp. ("SBBC" or the "Company") (TSX Venture: SBBC) (OTCQB: PKANF) is pleased to announce its financial results for the quarter ended March 31, 2022. All amounts are expressed in United States dollars unless otherwise noted. Certain metrics, including those expressed on an adjusted basis, are non-International Financial Reporting Standards ("IFRS") measures, see "*Non-IFRS Measures*" below.

CORORATE DEVELOPMENTS

On February 7, 2022 and February 10, 2022, the Company announced a non-brokered private placement offering of up to 580,046 units of the Company (the "Units") at a price of CA\$4.31 per Unit for aggregate gross proceeds of up to CA\$2,500,000. Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "2022 Warrant"). Each 2022 Warrant will entitle the holder thereof to purchase one common share of the Company at a price of CA\$5.06 for a period of 24 months. The completion of the offering will be subject to acceptance of the offering by the TSX Venture Exchange (the "TSXV") and satisfaction of all closing conditions. Once issued, the Units, including all underlying securities thereof, will have a hold period of four months and one day from the date of issue.

On March 1, 2022, the Company, through subsidiary No B.S. Life, LLC ("No B.S."), entered into a brand ambassador agreement with Julianna Peña, the mixed martial artist who won the UFC Women's Bantamweight Championship this past December and was named MMA Junkie's Female Fighter of the Year.

On March 18, 2022, the Company completed the acquisition of Hervé Edibles Limited ("Hervé"). Pursuant to the share purchase agreement, the Company acquired all of the issued and outstanding common shares of Hervé for aggregate purchase consideration of approximately CA\$8,000,000, payable in the form of issuance of 1,705,755 common shares ("Hervé Consideration Shares") of the Company, to the shareholders Hervé, at a price per Hervé Consideration Share of CA\$4.69, calculated on the basis of the volume weighted average closing price (the "VWAP") of the Company's shares on the TSXV determined based on the 15 trading days immediately preceding the closing date. In addition, CA\$1,000,000 of additional Hervé Consideration Shares may be issued upon the Company achieving specific sales revenue targets of Hervé products.

On April 1, 2022, the Company completed an acquisition of The BRN Group Inc. ("BRN") which includes its cannabidiol ("CBD") brand – Seventh Sense. Pursuant to the terms of the acquisition, the Company acquired all of the issued and outstanding common shares of BRN in exchange for an aggregate of 2,729,763 common shares of the Company at a price of \$3.66 (CA\$4.69) per common share of the Company for a total purchase price of \$10 million.

On April 16, 2022, the Company entered into a binding letter of intent (the "Jones LOI") with Jones Soda Co. ("Jones"). Pursuant to the Jones LOI, SBBC and Jones will complete an arm's length business combination by the acquisition by SBBC of all the issued and outstanding common shares of Jones (the "Jones Shares") at a deemed value of \$0.75 per Jones Share (the "Jones Transaction"), payable in common shares of SBBC based on a deemed price of \$3.65 per SBBC common share. In addition, SBBC will assume all outstanding debt of Jones and exchange any dilutive securities of Jones for materially similar securities of SBBC based on an implied ratio of 0.20548 of an SBBC share for each one Jones Share held, with the aggregate value of the Jones Transaction being approximately \$98,902,257 on a fully-diluted basis.

On April 25, 2022, the Company entered into a non-binding letter of intent ("CFH LOI") to acquire CFH Limited ("CFH"), a seed-to-shelf CBD manufacturer. CFH is vertically integrated with hemp fields, research & development, extraction and manufacturing with both a branded and white-label portfolio. Under the terms of the non-binding CFH LOI, the Company will acquire all of the issued and outstanding common shares of CFH for \$14,320,000 payable in SBBC common shares valued at a price per share equal to the 10-trading day VWAP of SBBC's common shares immediately prior to the closing date. The SBBC common shares issued will be subject to contractual lock-up and resale restrictions ranging from four to 24-months following closing. Closing of the transaction will be subject to, among other conditions, the completion and delivery to SBBC of annual audited financial statements of CFH, completion of satisfactory mutual due diligence investigations, regulatory approval and certain other financial conditions of CFH to be met on or before the closing date. The transaction is an arm's length acquisition and no finder's fee or commission will be payable, nor will any long-term debt be assumed, by SBBC.

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED MARCH 31, 2022

For the three months ended March 31, 2022, the Company generated revenue of \$12.1 million with a gross profit of \$8.0 million (66%) compared to \$2.5 million with a gross profit of \$1.5 million (60%) during the three months ended March 31, 2021. First quarter 2022 revenue was up 384% over the same period in 2021 and first quarter 2022 gross profit was up 433% over the same period for 2021.

Operating costs for the three months ended March 31, 2022 were \$10.5 million, an increase of \$8.4 million (400%), compared to \$2.1 million for the three months ended March 31, 2021.

The majority of the operating costs increase incurred in the first quarter of 2022 was related to marketing expenses (\$7.0 million or 67% of increase). The Company's subsidiary, PureKana, LLC ("PureKana") started a new marketing program in the fourth quarter of 2021 which led to the

large increase in marketing expenditures in the first quarter of 2022 over the first quarter of 2021. This program acquired new customers onto a subscription service for CBD products which has upfront customer acquisition costs in the first month of a customer subscription. There is no marketing expense after the first month of the subscription. PureKana invested the majority of the first quarter 2022 marketing expense (84%) into this program to develop its customer subscription base and it expects to see these investments generate positive returns starting in the second quarter of 2022. Share based payments of \$1.1 million accounted for 13% of the increase and professional fees of \$0.4 million accounted for 5% of the increase. The increase in marketing in the first quarter of 2022 were related to the new marketing programs launched by PureKana which drove the significant increase in first quarter sales and gross margins. Share-based payments are related to the options and restricted share units granted during the third quarter of 2021. The increase in first quarter 2022 professional fees were driven by several one-time items including strategic consulting (\$0.2 million) and increased audit related fees (\$0.2 million).

During the three months ended March 31, 2022, the Company recorded net loss of \$3.3 million compared to a net loss of \$0.7 million for the three months ended March 31, 2021. The biggest contributors to the increase in the net loss of \$2.7 million were share-based payments of \$1.1 million, increased consulting and professional fees of \$0.4 million and increased marketing expenses in the first quarter of 2022 of \$6.1 million compared to the same period of the prior year.

Non-IFRS Measures (Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA)

EBITDA and Adjusted EBITDA are non-IFRS measures used by management that are not defined by IFRS. EBITDA and Adjusted EBITDA do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that EBITDA and Adjusted EBITDA provide meaningful and useful financial information as these measures demonstrate the operating performance of the business excluding non-cash charges.

The most directly comparable measure to EBITDA and Adjusted EBITDA calculated in accordance with IFRS is net loss. The following table presents the EBITDA and Adjusted EBITDA for the three months ended March 31, 2022 and 2021, and a reconciliation of same to net income (loss):

	For the three months ended		Change in	
	March 31, 2022	March 31, 2021	\$	%
<i>expressed in USD millions</i>	\$	\$	\$	%
Loss before income taxes	(3.3)	(0.7)	(2.6)	371%
Add (less):				
Amortization expense	0.2	-	0.2	100%
Finance costs	0.3	0.6	(0.3)	-50%
EBITDA	(2.8)	(0.1)	(2.7)	2700%
Add (less):				

Share-based payment	1.1	-	1.1	100%
Acquisition-related costs	0.4	-	0.4	100%
Gain on remeasurement of loan payable	0.1	-	0.1	100%
Fair value adjustment of derivative liability	-	(0.4)	0.4	-100%
Consulting fees	0.2	-	0.2	100%
Shares issued for services	0.1	-	0.1	100%
Adjusted EBITDA	(0.9)	(0.5)	(0.4)	80%

The adjusted EBITDA loss of \$0.9 million for the three months ended March 31, 2022 increased by \$0.4 million over the adjusted EBITDA loss for the comparable period in 2021. The Adjusted EBITDA loss of \$0.9 million incurred during the three months ended March 31, 2022 were due to (1) operating losses at two of SBBC's subsidiaries, PureKana (\$0.9 million adjusted EBITDA loss) and No B.S. (\$0.2 million adjusted EBITDA loss), (2) SBBC corporate (\$0.2 million adjusted EBITDA loss) which were offset partially by (3) a positive \$0.4 million adjusted EBITDA generated by subsidiary Tru Brands.

Readers are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net income as determined under IFRS; nor as an indicator of financial performance as determined by IFRS; nor a calculation of cash flow from operating activities as determined under IFRS; nor as a measure of liquidity and cash flow under IFRS. The Company's method of calculating EBITDA and Adjusted EBITDA may differ from methods used by other companies and, accordingly, the Company's EBITDA and Adjusted EBITDA may not be comparable to similar measures used by any other company. Except as otherwise indicated, EBITDA and Adjusted EBITDA are calculated and disclosed by SBBC on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

See also Earnings before Interest, Taxes, Depreciation, and Amortization and Adjusted EBITDA (Non-GAAP Measures) in the Company's management discussion and analysis for the quarter ended March 31, 2022 available on SEDAR at www.sedar.com.

2022 OUTLOOK

For 2022, the Company's guidance released on April 11, 2022 was:

- Consolidated net sales to be between \$40 million and \$42 million
- Gross margin as a percentage of net sales to be between 58% and 60%
- Positive Adjusted EBITDA achieved in 2022

The Company is also reporting today that year to date April sales were \$18.2 million and year to date April gross margin of 65%. The Company also reports that as of May 16, 2022, it has achieved 50% of the higher end of sales guidance (\$21 million). The PureKana and Tru brands both achieved positive adjusted EBITDA margin in the month of April.

"Our key focus for 2021 was optimizing the growth fundamentals of the PureKana, TRUBAR, and No B.S. Skincare brands. As our strong Q1 2022 results illustrate, we are now positioned for sustainable and profitable growth in 2022 with our year-to-date results already exceeding our 2021 annual sales. Our strategic growth priorities remain to lead consumer-centric innovation and relentlessly acquire customers to these emerging brands by driving category, channel and geographic expansion. In parallel, we look forward to integrating the recent completed and/or proposed acquisitions of BRN/Seventh Sense (CBD), Hervé, Jones Soda (Beverage) and CFH (CBD seed-to-shelf manufacturing) into three growth verticals: plant-based wellness, food and beverage, and health & beauty," says SBBC CEO, Kathy Casey.

About Simply Better Brands Corp.

Simply Better Brands Corp. leads an international omni-channel platform with diversified assets in the emerging plant-based and holistic wellness consumer product categories. The Company's mission is focused on leading innovation for the informed Millennial and Generation Z generations in the rapidly growing plant-based, natural, and clean ingredient space. The Company continues to focus on expansion into high-growth consumer product categories including CBD, plant-based food and beverage, and skincare. For more information on Simply Better Brands Corp., please visit:

<https://www.simplybetterbrands.com/investor-relations>.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact Information

Simply Better Brands Corp.
Brian Meadows
Chief Financial Officer
+1 (855) 553-7441
ir@simplybetterbrands.com

Forward-Looking Information

Certain statements contained in this news release constitute "forward-looking information" and "forward looking statements" as such terms are used in applicable Canadian securities laws. Forward-looking statements and information are based on plans, expectations and estimates of management at the date the information is provided and are subject to certain factors and assumptions, including, among others, that the Company's financial condition and development plans do not change as a result of unforeseen events, the impact of the COVID-19 pandemic, the regulatory climate in which the Company operates, and the Company's ability to execute on its

business plans. Specifically, this news release contains forward-looking statements relating to, but not limited to: potential payment of earnout compensation under the terms of acquisitions previously-completed by the Company; completion and TSXV approval of the non-brokered private placement; expansion plans for the Company's products; completion of the acquisitions of Jones and CFH, including satisfaction of closing conditions, negotiation of definitive agreements, and receipt of TSXV and other regulatory and third party approvals; success of PureKana's marketing efforts; 2022 guidance and results of operations; growth of the Company's brands; and integration of recent acquisitions completed by the Company.

Forward-looking statements and information are subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking statements and information. Factors that could cause the forward-looking statements and information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, ability to obtain necessary regulatory approvals for proposed transactions, as well as the other risks and uncertainties applicable to the CBD, broader wellness and consumer packaged goods industries and to the Company, and as set forth in the Company's annual information form and other filings available under the Company's profile at www.sedar.com.

The above summary of assumptions and risks related to forward-looking statements in this news release has been provided in order to provide shareholders and potential investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. There is no representation by the Company that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements and the Company 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 may be required by applicable securities law.

Financial Outlook

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the financial results for April 2022, year-to-date April 2022, and the quarter ended March 31, 2022, and the year ended December 31, 2022, including net sales, gross margin, and Adjusted EBITDA, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out under the heading "Forward-Looking Information". The actual financial results of the Company may vary from the amounts set out herein and such variation may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments and the FOFI contained in this press release was approved by management as of the date hereof. However, because this information is subjective and subject

to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date hereof and was provided for the purpose of providing further information about the Company's anticipated future business operations on a quarterly and annual basis. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.