



**SIMPLY BETTER BRANDS CORP. ANNOUNCES RECORD THIRD QUARTER REVENUE AT \$19.4 M  
OR 45% YEAR OVER YEAR GROWTH WHILE ACHIEVING \$4.3 OPERATING EXPENSE  
REDUCTIONS VERSUS Q2 2023**

*Third quarter results reflect year over year growth in all strategic brands of TRUBAR, No B.S. Skincare, PureKana, and Vibez, while delivering positive adjusted EBITDA of \$0.1 M.*

**VANCOUVER, BC – November 29, 2023** - Simply Better Brands Corp. ("SBBC" or the "Company") (TSX Venture: SBBC) (OTCQB: SBBCF) is pleased to announce its interim financial results for the three and nine months ended September 30, 2023. The Company's third quarter 2023 revenue delivered a record \$19.4 M or 45% year over year growth, while maintaining essentially flat gross margin versus year ago. The strong revenue growth in Q3 2023 was achieved while simultaneously reducing operating expense by \$4.3 M compared to the previous quarter and recording a positive adjusted EBITDA. The Q3 year to date revenue of \$67.6 M already exceeds full year 2022 at \$65.4 M. 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.

**2023 THIRD QUARTER KEY COMMERCIAL ACHIEVEMENTS**

- **TRUBAR Protein Bar:** Supporting [TRUBAR's](#) continued expansion are four initiatives: confirmed manufacturing capacity expansion, material COGS reduction, continued omni-channel distribution in the Club, Convenience, and Grocery channels, and category expansion into the protein powder category. Q3 2023 represented expansion in Costco with a second item in rotation of a "Mint to be Chip" and "Get in my Belly, PB & Jelly" dual pack, [BJ's Wholesale](#), [Sodexo](#), [Andretti Oil](#) and [Circle K](#). This growth trend continues with planned Q4 expansion into [Longo's](#), [Sobey's](#), and [Sheetz](#). The 2023 revenue forecast is three times more than the previous period at \$30 M+ versus \$10 M in 2022.
- **PureKana Wellness:** [PureKana](#), a leading plant-based wellness brand, remained focused on its customer acquisition initiative, adding over 60,443 customers during the quarter and replenishing the sales funnel into a subscription model. PureKana's strong D2C models based on review of its publicly traded competitors financial statements earns it the top share position in eCommerce hemp/CBD. To expand beyond human consumption, PureKana commenced its pet offering in the \$196 M hemp-based pet category (per [Grandview Research](#)) with planned offerings in with calming chews, hip & joint chews, and hair & coat drops. As an estimated 60% of PureKana's loyal customers have pets, the growth opportunity is expected to be sizeable.
- **No B.S. Skincare:** Originally, the No B.S. brand was sourced exclusively online at [livenobs.com](#) and Amazon. In 2022, the brand entered 3,200 CVS Health stores for a Back-to-School Event and continues to maintain an on shelf presence in [CVS's](#) healthy skin

section. Initial brick and mortar success enabled the brand to enter [TJ Maxx](#) in Q2, a national launch into [Walgreen's](#) in Q4 2023 in 3,400 locations, as well as placement on BJs.com. Sources of growth include omni-channel expansion supported by insight-driven [innovation](#) with an expanded facial acne patch portfolio (overnight pimple patch and acne patch plus retinol night cream) and a natural deodorant category entry.

- **Vibez Wellness:** The [Vibez Wellness](#) line was launched in November 2022 to capture incremental millennial consumers on their preventative wellness journey. With an initial keto gummy supplement offering, the new brand has achieved \$3.7 M in revenue year-to-date 2023. Vibez's primary focus is non-CBD solutions into the weight management, gut health, calm, focal acuity, and healthy hair consumer need states.

"As our Q3 2023 financial and commercial results illustrate, we are positioned for continued revenue growth, profit optimization, and debt reduction in 2023. Our strategic priorities remain to lead consumer-centric innovation and relentlessly acquire customers to these emerging brands by driving category and omni-channel expansion. Our clean ingredient wellness brands are resonating with our targeting Generation Z and Millennial consumers and retailers as we innovate to solve their daily challenges. This commercial relevancy has all four of strategic brands in growth mode, while focusing on cost reduction to fuel the continued momentum. As we assess all opportunities, our highest priority is keeping up with the relentless demand on the unicorn of TRUBAR." says SBBC CEO, Kathy Casey.

## FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

|                          | For the three months ended |                         |                    |                         | Change      |            |
|--------------------------|----------------------------|-------------------------|--------------------|-------------------------|-------------|------------|
|                          | September 30, 2023         |                         | September 30, 2022 |                         | \$          | %          |
|                          | \$                         | % (in terms of revenue) | \$                 | % (in terms of revenue) |             |            |
| <i>expressed in Ms *</i> |                            |                         |                    |                         |             |            |
| Revenue                  | 19.40                      | 100%                    | 13.40              | 100%                    | 6.00        | 45%        |
| Cost of goods sold       | (6.70)                     | (35%)                   | (4.60)             | (34%)                   | (2.10)      | 46%        |
| <b>Gross profit</b>      | <b>12.70</b>               | <b>65%</b>              | <b>8.80</b>        | <b>66%</b>              | <b>3.90</b> | <b>44%</b> |

### Third Quarter September 30, 2023 – Revenue

The Company's revenue is generated by one segment – consumer products and within that segment by four main subsidiaries, PureKana, Tru, BRN (Vibez and Seventh Sense), No BS and other subsidiaries which do not generate material revenue currently. Revenue for the third quarter of 2023 was \$19.4 M, an increase of \$6.0 M or 45% growth compared to \$13.4 M in the third quarter of 2022. PureKana's third quarter revenue for the three months ended September 30, 2023, was \$13.0 M compared to \$9.3 M for the comparable period in 2022 (increase of \$3.7 M or 40%). PureKana's revenue increase was driven by PureKana's marketing investments made in the later part of the second quarter to increase new sales and subscriptions. Tru's third quarter revenue for the three months ended September 30, 2023, was \$4.5 M compared to \$2.8 M for the comparable period in 2022 (increase of \$1.7 M or 62%). No BS's third quarter revenue for the three months ended September 30, 2023, was \$0.8 M compared to \$0.7 M for the comparable period in 2022. BRN's third quarter revenue for the three months ended September

30, 2023, was \$1.1 M, compared to \$0.4 M in the third quarter of 2022. SBBC's other subsidiaries contributed \$0.0 M in the third quarter compared to 0.2 M in the prior period.

SBBC's cost of sales in the third quarter (35%) were comparable to the prior period 2022 (34%). The Company continues to manage its finished goods costs with co-manufacturers with the higher order volumes it has been able to place. Cost of goods sold for online sales (Direct to consumer "DTC") typically range in the low to mid 70's and retailer (Business to Business "B2B") gross margins range in the mid 30's to higher 40's. Cost of goods sold was \$6.7 M in the third quarter of 2023 (35% of revenues) compared to \$4.6 M (34% of revenues) in the comparable period.

Gross profit for the third quarter of 2023 was \$12.7 M (65%) compared to \$8.8 M (66%) in the third quarter of 2022. The gross profit margin was flat in the third quarter of 2023 over the gross profit in the comparable period. There was a higher mix of online sales in the third quarter of 2023 compared to the second quarter of 2023 which had a higher percentage of lower margin B2B sales.

Operating costs for the third quarter of 2023 were \$14.2 M, an increase of \$3.7 M (or 35%), compared to \$10.5 M in the third quarter of 2022. The majority of the operating costs increase incurred in the three months ended September 30, 2023, were marketing expenses (\$9.8 M for Q3 or 69% of operating expenses) and they increased \$3.6 M over the previous year directly related to the increase in revenues for PureKana, BRN and Tru. Marketing was down \$3.6 M from the second quarter in 2023. There are three main categories of marketing expenses. They are online (1) online advertising, (2) email marketing and social media and (3) retailer promotional allowances. The first two categories of marketing expenses are directly related to DTC sales whereas the retailer promotional allowances are related to B2B sales. In the third quarter of 2023, online advertising accounted for 82% of the marketing expenses compared to 83% in the comparable period in 2022. In the third quarter of 2023, email marketing and social media accounted for 7% compared to 7% in the comparable period in 2022. DTC sales in the third quarter of 2023 were 45% higher than DTC revenues in the comparable period 2022. Marketing expenses related to DTC were up by \$3.3 M in the third quarter of 2023 compared to those in the third quarter of 2022 due to higher advertising and email marketing activities related to the 45% higher DTC sales in the third quarter of 2023 compared to the prior period. In the third quarter of 2023, retailer promotional allowances accounted for 13% of marketing expenses compared to 8% in the comparable period in 2022. The increase in this category of \$0.2 M in the third quarter was directly related to the higher sales of TRUBAR and No BS brick and mortar sales in the third quarter of 2023 compared to the prior period. B2B sales increased from \$3.0 M in Q3 2022 to \$5.1 M in Q3 2023 (\$2.1 M increase in B2B sales). Customer services support represented 10% of operating expenses for the three months ended September 30, 2023 (\$1.4 M) and increased \$0.9 M or 180% over the prior year (\$0.5 M). These expenses were also directly related to the increase in sales at PureKana and BRN. Salaries and Wages were \$0.9 M in the third quarter of 2023 represent 6% of total expenses and decreased \$0.1 M from the prior year (\$1.0 M) as a result of headcount reductions made in the Herve and BRN acquisitions as the Company sought operating synergies post-acquisition. Professional fees reduced \$0.3 M to \$0.3 M for the three

months ended September 30, 2023, compared to the prior year (\$0.6 M). The \$0.3 M reduction was driven by lower audit fees (\$0.1 M) and lower consulting fees (\$0.2 M).

Other income for the third quarter 2023 was \$1.0 M compared to other income of \$0.2 M in the third quarter of 2022 or an increase of \$0.8 M. The main components in the third quarter of 2023 for other income and expenses were finance costs of \$0.5 M and gain on remeasurement of warrant liabilities of \$1.3 M.

The Company incurred a net loss of \$0.6 M for the third quarter of 2023 which decreased by \$5.7 M over the loss in the second quarter of 2023. The decrease in the third quarter loss is primarily related to the decrease in operating expenses (\$4.2 M) in the third quarter of 2023 compared to the second quarter of 2023. The decrease in operating expenses was driven by a decrease in marketing expenses of \$3.6 M on the PureKana and TRUBAR brands, decrease in impairment of inventories and A/R of \$0.3 M, and decrease in amortization costs of \$0.2 M.

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

EBITDA and Adjusted EBITDA are non-GAAP 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 a 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 September 30, 2023, and 2022, and a reconciliation of same to net income (loss):

|   | For the three months ended |                    | Change in   |               |
|---|----------------------------|--------------------|-------------|---------------|
|   | September 30, 2023         | September 30, 2022 | \$          | %             |
|   | \$                         | \$                 |             |               |
| <b>Net loss</b>                               | <b>(0.60)</b>              | <b>(1.50)</b>      | <b>0.90</b> | <b>(150%)</b> |
| Amortization                                  | 0.80                       | 0.60               | 0.20        | 25%           |
| Finance costs                                 | 0.50                       | 0.40               | 0.10        | 20%           |
| <b>EBITDA</b>                                 | <b>0.70</b>                | <b>(0.50)</b>      | <b>1.20</b> | <b>(105%)</b> |
| Fair value adjustment of derivative liability | (0.30)                     | (0.20)             | (0.10)      | 33%           |
| Impairment of receivable                      | -                          | 0.20               | (0.20)      | 100%          |
| Gain on settlement of the milestone shares    | -                          | (0.40)             | 0.40        | 100%          |
| Loss on remeasurement of warrant liabilities  | (1.30)                     | -                  | (1.30)      | 100%          |
| Share-based payments                          | 0.50                       | 0.80               | (0.30)      | (60%)         |
| Shares issued for services                    | -                          | 0.10               | (0.10)      | 100%          |
| Write-off of advance payments                 | 0.10                       | -                  | 0.10        | 100%          |
| Non-recurring expenses                        | 0.40                       | -                  | 0.40        | 100%          |
| <b>Adjusted EBITDA</b>                        | <b>0.10</b>                | <b>0.00</b>        | <b>0.10</b> | <b>468%</b>   |

The Company generated positive adjusted EBITDA of \$0.1 M for the three months ended September 30, 2023, a \$2.5 M improvement over the adjusted EBITDA loss incurred in the second quarter of 2023. Q3 adjusted EBITDA of \$0.1 M was an increase of \$0.1 M over the adjusted EBITDA of \$0.0 M for the comparable period in 2022. The primary driver for the positive adjusted EBITDA of \$0.1 M for the third quarter of 2023 is due to the increase in cash operating expenses (\$3.7 M) which were offset by increased gross profits (\$3.8 M) compared to the prior period in 2022.

## CONFERENCE DETAILS

A conference call to discuss the results is scheduled for the following day on November 30, 2023, at 10:00 a.m. EST.

| Conference Call Participant Details                |   |
|--|---|
| <b>RapidConnect URL:</b>                           | <a href="https://emportal.ink/3tzAPMb">https://emportal.ink/3tzAPMb</a>               |
| <b>Local:</b>                                      | Toronto: 416-764-8650   |
| <b>North American Toll Free:</b>                   | 888-664-6383  |
| <b>Webcast URL</b>                                 |   |
| <b>Audience URL:</b>                               | <a href="https://app.webinar.net/p4JBDoWDqx6">https://app.webinar.net/p4JBDoWDqx6</a> |
| <b>Conference Replay</b>                           |   |
| <b>Conference Replay Local:</b>                    | 416-764-8677  |
| <b>Conference Replay North American Toll Free:</b> | 1-888-390-0541  |
| <b>Conference Replay Entry Code:</b>               | 409892 #  |

## 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 plant-based food, clean ingredient skincare and plant-based wellness. 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**

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## **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: planned Q4 expansion into Longo's, Sobey's, and Sheetz, size of the growth opportunity in the hemp-based pet category, No BS's planned launch in Walgreens in Q4 and expansion of its facial acne patch portfolio (overnight pimple patch and acne patch plus retinol night cream) and a natural deodorant category entry, 2023 guidance and results of operations, growth of the Company's brands, and, success of the Company's marketing efforts.

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 plant-based food, clean ingredient skincare and plant-based wellness or broader wellness industries and to the Company, and as set forth in the Company's annual information form available under the Company's profile at [www.sedarplus.com](http://www.sedarplus.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 the quarter ended September 30, 2023, and the year ended December 31, 2023, 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.