



**SIMPLY BETTER BRANDS CORP. RAISES 2022 FINANCIAL OUTLOOK AS YEAR TO DATE  
PRELIMINARY RESULTS EXCEED EXPECTATIONS**

*Strong Customer Acquisition and Expanded Distribution Footprint Raise Expected Annual  
Outlook to \$50-\$55 million and Positive Adjusted EBITDA*

**VANCOUVER, BC – July 13, 2022** - Simply Better Brands Corp. ("SBBC" or the "Company") (TSX Venture: SBBC) (OTCQB: PKANF) is pleased to announce it is raising its 2022 financial outlook based on year-to-date results and business momentum. The sources of growth remain customer, category, channel and geographic expansion. 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.

**Preliminary June 30, 2022 Quarter to Date and Year to Date Results**

Preliminary sales for the quarter ending June 30, 2022, were \$16.8 million compared to 3.1 million for the comparable period or a growth rate of 440%.

Preliminary gross margin for the six months ending June 30, 2022, was margin of 69% compared to 59% for the comparable period.

Preliminary sales for the six months ending June 30, 2022 were \$28.9 million compared to \$5.6 million for the comparable period or a growth rate of 417%.

Preliminary gross margin for the six months ending June 30, 2022, was margin of 67% compared to 61% for the comparable period.

The PureKana and TRUBAR brands both achieved positive adjusted EBITDA margin in the months of April and May. Full second quarter and six-month results are due to be reported on August 30, 2022.

**2022 Outlook**

As a result of the strong year to date and quarter to date preliminary results as of June 30, 2022, the Company's guidance is changing as follows:

- Expected consolidated net sales are increased to \$50 million-55 million from \$40 million-\$42 million.
- Expected gross margin as a percentage of net sales is increased to 63%-65% from 58-60%.
- The Company continues its expectation to achieve positive Adjusted EBITDA for fiscal 2022.

## 2022 Business Drivers

- PureKana ([purekana.com](http://purekana.com)) customer acquisition model adding approximately 15,000 new customers per month driving year-to-date growth of 366% vs. year ago or \$22.7 million vs. \$4.8 million. According to Brightfield Research Group mid-year 2022 report, this performance makes PureKana a Top 10 brand out of 4,000 brands in the category.
- PureKana expansion of a national salesforce for brick and mortar retail with a differentiated and innovative portfolio.
- TRUBAR's ([truwomen.com](http://truwomen.com)) expansion into Costco. By Q3 2022, TRUBAR has secured distribution into 50% of the U.S. based Costco regions with velocities exceeding bar category expectations.
- No B.S. Skincare ([livenobs.com](http://livenobs.com)) launch into 3,200 CVS stores for Back-to-School migrating to on-shelf presence in September 2022.
- Planned geographic omni-channel expansion into the UK Market in the back half of 2022.

## Company Updates

The Company is also providing the updates:

- The Company is making progress in expanding its credit facilities with 2Shores Capital to support growth with its expanding Costco business.
- The Company is holding its Annual General Meeting on July 29, 2022. These materials are available at: <https://odysseytrust.com/client/simply/> OR [www.sedar.com](http://www.sedar.com)
- The Company has agreed with CFH to pause work on the potential acquisition due to its current share price and is looking for other ways to achieve some of the benefits identified with this acquisition. These may include a supply arrangement and joint R&D work on new products.

"As our strong first half results illustrate, we are positioned for sustainable and positive adjusted EBITDA growth in 2022 driven by our PureKana, TRUBAR, and No B.S. Skincare brands. Our strategic growth priorities remain to lead consumer-centric innovation and relentlessly acquire customers to these emerging brands by driving customer, category, channel and geographic expansion. In parallel, we look forward to integrating the recently completed acquisitions of BRN/Seventh Sense and Hervé into three growth verticals: plant-based wellness, food and beverage, and health & beauty. Our model to acquire and build emerging brands in the clean ingredient space is working. We now have all three of the core brands in growth mode of both distribution and channel." 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 wellness, 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.*

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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: expansion of its credit facilities; 2022 guidance and results of operations; growth of the Company's brands and business; new supply or R&D relationship with CFH; and integration of recent acquisitions completed by the Company, specifically BRN/Seventh Sense and Hervé.

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](http://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 the quarter ended June 30, 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.

### **Non-IFRS Financial Measures**

This press release refers to certain non-IFRS measures. Adjusted EBITDA refers to net earnings from continuing operations before interest, taxes, depreciation and amortization and removing certain non-recurring, one-time or irregular items. Adjusted EBITDA is not an earnings measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Management believes that Adjusted EBITDA is an alternative measure in evaluating the Company's business performance. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss).

See "Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA (Non-GAAP Measures)" in the Company's most recently available management's

discussion and analysis available on SEDAR for a reconciliation of Adjusted EBITDA to net (loss) income.

Readers are cautioned that 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 Adjusted EBITDA may differ from methods used by other companies and, accordingly, the Company's Adjusted EBITDA may not be comparable to similar measures used by any other company. Except as otherwise indicated, Adjusted EBITDA is calculated and disclosed by SBBC on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.