



SIMPLY BETTER BRANDS CORP. PROVIDES PRELIMINARY 2022 RESULTS, 2023 OUTLOOK AND ANNOUNCES FULLY SUBSCRIBED \$5 MILLION NON-BROKERED PRIVATE PLACEMENT WITH PARTICIPATION OF STRATEGIC INVESTORS AND INSIDERS

Building on the 2022 momentum, the Company forecasts continued strong topline growth, gross margin expansion, debt reduction, and positive adjusted EBITDA

VANCOUVER, BC – January 26, 2023 - Simply Better Brands Corp. ("SBBC" or the "Company") (TSX Venture: SBBC) (OTCQB: PKANF) is pleased to provide an update concerning its business progress in 2022, its outlook for 2023 and a \$5 million non-brokered private placement.

2023 Outlook

Preliminary unaudited net sales for 2022 are expected to be between USD\$65.5 and USD\$66.0 million compared to net sales of USD\$15.6 million achieved in 2021. These results exceeded guidance press released to the market in fiscal 2022. Preliminary fourth quarter net sales are expected to be between USD\$23.1 and USD\$23.6 million. In 2022, the key drivers of growth were robust [PureKana](#) customer acquisition, distribution and the expansion on [TRUBAR](#).

The preliminary unaudited gross margin for the fourth quarter and the full year 2022 are expected to be consistent with the gross margin for the nine months ended September 30, 2022 (67% of net sales).

The Company's audited financials for the period ended December 31, 2022 are scheduled to be filed on April 30, 2023.

For our 2023 Outlook:

1. The Company's expectation for consolidated net sales to exceed USD\$80 million;
2. The Company expects gross margin as a percentage of net sales to be between 58% and 60%; and
3. The Company expects to achieve positive Adjusted EBITDA in the range of USD\$3-4 million.

"To continue our topline growth expansion in 2023, the Company plans to invest in expansion by channel, category, and geography across our diverse branded portfolio. These investments will be made in concert with a strong focus on increasing adjusted EBITDA. In 2022, our performance-driven team was able to deliver quality topline revenue growth of over 400%, gross margin expansion, and adjusted EBITDA improvement on a year-over-year basis, while simultaneously reducing our debt. It is proof of the Company's ability to acquire and build clean ingredient wellness brands and expand them into omni-channel environments with solid financial rigor. As

we look to 2023, we remain focused on connecting our emerging brands with Millennial consumers on their wellness journey through consumer-centric innovation and channel expansion. Based upon the preliminary results of 2022, we enter 2023 with strong momentum,” says SBBC CEO, Kathy Casey.

Non-Brokered Private Placement

The Company is pleased to announce a fully subscribed, non-brokered private placement for 20,000,000 units (“**Units**”) at a price of \$0.25 per Unit for aggregate gross proceeds of \$5,000,000 (the “**Offering**”). The Offering is expected to include participation from VRG Capital and other strategic investors. In addition, it is expected that Kathy Casey, Chief Executive Officer and an insider of the Company, will also participate in the Offering.

Each Unit will consist of one common share of the Company (“**Common Share**”) and one-half of one common share purchase warrant (each whole such common share purchase warrant, a “**Warrant**”). Each Warrant shall be exercisable into one additional Common Share at an exercise price of \$0.45 per Warrant for twenty-four months from closing of the Offering.

It is anticipated that the net proceeds of the Offering will be used for new product development, channel expansion, geographic expansion, debt reduction and general corporate working capital purposes.

The Offering is scheduled to close on or about February 6, 2023, or such other date as determined by the Company, and is subject to certain conditions including, but not limited to receipt of TSX Venture Exchange acceptance.

The Company may pay certain eligible finders a finder’s fee comprised of a cash commission of up to 7% of the gross proceeds of the Offering and transferable finder’s warrants equal to up to 7% of the aggregate number of Units sold under the Offering. Such finder’s warrants shall entitle the holder to acquire one Unit of the Company at a price of \$0.25 for a period of 24 months from the Closing Date.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”), the Offering is being made to purchasers resident in all provinces of Canada, except Quebec, the United States and in certain foreign jurisdictions. All securities issued in connection with the Offering will be subject to a hold period of four months from the date of closing.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under

the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

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 the global pet care and skin care industries. 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: the launch of the Brand, completion of the initial payment under the Agreement, the Earnout Payments and SBBC's continued ownership of the Brand, statements relating to the successful closing of the Offering and anticipated timing thereof and the intended use of proceeds.

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 the transaction, as well as the other risks and uncertainties applicable to the CBD 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.sedar.com.

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 year ended December 31, 2022, including net sales and gross margin, 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. 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.