SIMPLY BETTER BRANDS CORP. ANNOUNCES THIRD QUARTER 2022 FINANCIAL RESULTS AND INCREASES YEAR-TO-GO OUTLOOK

Driving over 283% channel, category and geographic growth in plant-based food and beverage, health & beauty while delivering second consecutive quarter of positive adjusted EBITDA

VANCOUVER, BC – November 29, 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 September 30, 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.

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 30, 2022, AND NINE MONTHS ENDED SEPTEMBER 30, 2022

All amounts are expressed in United States dollars unless otherwise noted.

	For the three months ended				Change in	
	September 30, 2022		September 30, 2021			
*expressed in millions **	$	%	$	%	$	%
REVENUE	13.4	100%	3.5	100%	9.9	283%
COST OF GOODS SOLD	(4.6)	-34%	(1.5)	-43%	(3.1)	207%
GROSS MARGIN	8.8	66%	2.0	57%	6.8	340%

For the three months ended September 30, 2022, the Company generated revenue of $13.4 million with a gross margin of $8.8 million (66%) compared to $3.5 million with a gross margin of $2.0 million (57%) during the three months ended September 30, 2021. Third quarter 2022 revenue was up 283% over the same period in 2021 and third quarter 2022 gross margin was up 340% over the same period for 2021.

	For the nine months ended				Change in	
	September 30, 2022		September 30, 2021			
*expressed in millions **	$	%	$	%	$	%
REVENUE	42.4	100%	9.1	100%	33.3	366%
COST OF GOODS SOLD	(13.9)	-33%	(3.7)	-41%	(10.2)	276%
GROSS MARGIN	28.5	67%	5.4	59%	23.1	428%

For the nine months ended September 30, 2022, the Company generated revenue of $42.4 million with a gross margin of $28.5 million (67%) compared to $9.1 million with a gross margin of $5.4 million (59%) during the nine months ended September 30, 2021. Nine months 2022 revenue was up 366% over the same period in 2021 and nine months 2022 gross margin was up 428% over the same period for 2021.

Three months ended September 30, 2022 – Operating expenses

Followings are the breakdown of the major operating expenses in the presented period:

	For the three months ended					
	September 30, 2022		September 30, 2021		Change in	
*expressed in millions **	$	%	$	%	$	%
Amortization expense	0.6	6%	0.2	3%	0.4	200%
Customer service support	0.5	5%	-	0%	0.5	100%
General and administrative expenses	0.6	6%	0.3	4%	0.3	100%
Marketing expense	6.2	59%	1.4	19%	4.8	343%
Professional fees	0.6	6%	0.4	5%	0.2	50%
Regulatory and filing fees	-	0%	0.1	1%	(0.1)	-100%
Salaries and wages	1.0	10%	0.8	10%	0.2	25%
Share-based payment	0.8	8%	4.5	58%	(3.7)	-82%
	10.3	**100%**	**7.7**	**100%**	**2.6**	**34%**

**Items in each presented period with a balance below $0.1M are either combined as "Other Items" or excluded from the table above.*
***Other items including items with a balance below $0.1M and rounding adjustment.*

Operating costs for the third quarter of 2022 were $10.3 million, an increase of $2.6 million (or 34%), compared to $7.7 million in the third quarter of 2021.

The majority of the operating costs increase incurred in the third quarter of 2022 were marketing expenses ($6.2 million for Q3 or 59% of operating expenses). PureKana accounted for most of the marketing expenses in the third quarter of 2022 (85%). Share-based payments were $0.8 million for the third quarter of 2022 which is a decrease of $3.7 million compared to the previous period. Additionally, customer service support were $0.5million for Q3 accounting for 5% of operating expenses, professional fees were $0.6 million for Q3 accounting for 6% of operating expenses, G&A expenses were $0.6 million for Q3 accounting for 6% of operating expenses and salaries and wages were $1 million for Q3 accounting for 10% of operating expenses. The increase in marketing in the third quarter of 2022 were related to the new marketing programs launched by PureKana which drove the significant increase in third quarter sales and gross margins. Share-based payments are related to the options and restricted share units granted.

Nine months ended September 30, 2022 – Operating expenses

Followings are the breakdown of the major operating expenses in the presented period:

	For the nine months ended					
	September 30, 2022		September 30, 2021		Change in	
*expressed in millions **	$	%	$	%	$	%
Amortization expense	1.4	4%	0.4	3%	1.0	250%
Customer service support	1.5	4%	0.1	1%	1.4	1400%
General and administrative expenses	1.5	4%	0.7	6%	0.8	114%
Marketing expense	21.4	63%	3.5	28%	17.9	511%
Professional fees	1.8	5%	0.8	6%	1.0	125%
Regulatory and filing fees	0.2	1%	0.3	2%	(0.1)	-33%
Salaries and wages	3.0	9%	2.3	18%	0.7	30%
Share-based payment	3.5	10%	4.5	36%	(1.0)	-22%
Travel and entertainment	0.1	0%	-	0%	0.1	100%
Other items **	(0.1)	0%	0.1	0%	(0.2)	-251%
	34.3	**100%**	**12.7**	**100%**	**21.6**	**171%**

**Items in each presented period with a balance below $0.1M are either combined as "Other Items" or excluded from the table above.*
***Other items including items with a balance below $0.1M and rounding adjustment.*

Operating costs for the nine months ended September 30, 2022, were $34.3 million, an increase of $21.6 million (or 171%), compared to $12.7 million in the third quarter of 2021.

The majority of the operating costs increase incurred in the nine months ended September 30, 2022 were marketing expenses ($21.4 million for Q3 or 63% of operating expenses). PureKana accounted for most of the marketing expenses in the nine months ended September 30, 2022 (90%). Share-based payments of $3.5 million for the 9 months ended September 30, 2022 decreased by $1.0 million. Additionally, customer service support were $1.5 million in the nine months ended September 30, 2022 accounting for 4% of operating expenses, professional fees were $1.8 million in the nine months ended September 30, 2022 accounting for 5% of operating expenses, G&A expenses were $1.5 million in the nine months ended September 30, 2022 accounting for 4% of operating expenses and salaries and wages were $3 million in the nine months ended September 30, 2022 accounting for 9% of operating expenses. The increase in marketing in the third quarter of 2022 were related to the new marketing programs launched by PureKana which drove the significant increase in nine month ended September 30, 2022 sales and gross margins. Share-based payments are related to the options and restricted share units granted.

The Company had a loss of $1.4 million for the three months ended September 30, 2022. The net loss for the third quarter decreased by $1.4 million over the loss in the second quarter of 2022. Loss per share was $0.04 in the third quarter of 2022.

The Company had a loss of $7.4 million for the nine months ended September 30, 2022 compared to $8.6 million in the prior period in 2021. Loss per share was $0.23 for the nine months ended September 30, 2022 compared to a loss of $0.40 per share in the prior period.

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 and nine months ended September 30, 2022, and 2021, and a reconciliation of same to net income (loss):

	For the three months ended			
	September 30, 2022	September 30, 2021	Change in	
*expressed in millions **	$	$	$	%
Loss before income taxes	**(1.4)**	**(6.4)**	**5.0**	**-78%**
Add (less):				
Amortization expense	0.6	0.2	0.4	200%
Finance costs	0.3	0.6	(0.3)	-50%
EBITDA	**(0.5)**	**(5.6)**	**5.1**	**-91%**
Add (less):				
Share-based payment	0.8	4.5	(3.7)	-82%
Acquisition-related costs	-	0.4	(0.4)	-100%
Fair value adjustment of derivative liability	(0.2)	(0.2)	-	0%
Gain on settlement of the milestone shares	(0.4)	-	(0.4)	100%
Impairment of receivable	0.2	-	0.2	100%
Shares issued for services	0.1	**0.2**	(0.1)	-50%
Non-recurring expenses	0.4	**-**	0.4	100%
Adjusted EBITDA	**0.4**	**(0.7)**	**1.1**	**-157%**

The Company generated positive adjusted EBITDA of $0.4 million for the three months ended September 30, 2022, an increase of $1.1 million over the adjusted EBITDA loss for the comparable period in 2021. The positive Adjusted EBITDA of $0.4 million incurred during the three months ended September 30, 2022, were due to (1) positive adjusted EBITDA generated by three of SBBC's subsidiaries PureKana ($0.1 million positive adjusted EBITDA), Tru ($0.4 million positive adjusted EBITDA) and No BS ($0.1 million positive adjusted EBITDA) which were offset by (2) SBBC corporate ($0.2 million adjusted EBITDA loss). The Company was successful in implementing its plan to significantly reduce the negative adjusted EBITDA performance at its other subsidiaries

(Herve and BRN) during the third quarter and the two newer subsidiaries both had a neutral impact on corporate adjusted EBITDA for the third quarter of 2022.

	For the nine months ended			
	September 30, 2022	September 30, 2021	Change in	
*expressed in millions **	$	$	$	%
Loss before income taxes	**(7.4)**	**(8.6)**	**1.2**	**-14%**
Add (less):				
Amortization expense	1.4	0.4	1.0	250%
Finance costs	0.9	1.8	(0.9)	-50%
EBITDA	**(5.1)**	**(6.4)**	**1.3**	**-20%**
Add (less):				
Share-based payment	3.5	4.5	(1.0)	-22%
Acquisition-related costs	0.5	0.4	0.1	25%
Gain (loss) on remeasurement of loan payable	0.6	-	0.6	100%
Fair value adjustment of derivative liability	(0.2)	(0.8)	0.6	-75%
Gain on settlement of the milestone shares	(0.4)	-	(0.4)	100%
Grant and other assistance	(0.4)	-	(0.4)	100%
Impairment of receivable	0.2	-	0.2	100%
Write-off of advance payments	0.4	-	0.4	100%
Shares issued for services	0.5	0.2	0.3	140%
Non-recurring expenses	0.7	-	0.7	100%
Adjusted EBITDA	**0.3**	**(2.1)**	**2.4**	**-114%**

The Company has an adjusted EBITDA of $0.3 million for the nine months ended September 30, 2022, an increase of $2.4 million over the adjusted EBITDA loss for the comparable period in 2021. Adjusted EBITDA of $0.3 million for the nine months ended September 30, 2022, were due to (1) positive adjusted EBITDA generated by Tru ($1.3 million) and No BS ($0.1 million) which was offset by PureKana ($0.2 million adjusted EBITDA loss), SBBC corporate ($0.5 million adjusted EBITDA loss) and $0.4 million adjusted EBITDA losses by SBBC's other subsidiaries.

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 ("EBITDA") and Adjusted EBITDA (Non-GAAP Measures) in the Company's management discussion and analysis for the quarter ended September 30, 2022 available on SEDAR at www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

The Company continues to focus on improving its working capital position through a number of initiatives including equity and convertible debt private placements, issuance of promissory notes and establishment of lines of credit for its subsidiaries.

Private Placements

The Company completed a private placement raise in August of 2022 and raised CA$3,990,844 (USD $3,069,880) in common shares and convertible debentures. The funds raised were used for debt reduction and working capital.

Convertible Debentures

During the nine months ended, the Company reduced the balance of convertible debentures outstanding by $1,053,158 (see note 10 in the interim financial statements for the nine months ended September 30, 2022).

Line of Credit Facilities

Additionally, the Company has secured several lines of credit facilities for three of its subsidiaries to support the financing of purchase orders from key customers. These lines of credit have been critical to finance the large retail purchase orders the Company's subsidiaries have successfully generated during the nine months ended September 30, 2022. For more information of the line of credit facilities please refer to note 9 in the interim financial statements for the nine months ended September 30, 2022. During the nine months ended September 30, 2022, the Company raised $4,455,843 in funds from these lines of credit to finance purchase orders from its large retail customers. Over the same period, the Company repaid $4,003,801 of these credit facilities to the lender. The nature of these loans is to turnover between 3-5 months from time the money is advanced to repayment.

Promissory Notes

During the nine months ended, the Company reduced the balance of promissory notes outstanding by $4,064,524 (see note 11 in the interim financial statements for the nine months ended September 30, 2022). All promissory notes paid off during the nine months had a maturity less than 12 months.

Subsequent to the quarter ended September 30, 2022

- The Company entered into an agreement with the third party to settle the payment of the assigned portion of the PK Promissory Notes ($1,166,168). The Company made an initial payment of $300,000 to the assigned portion of the PK Promissory Notes. The agreement calls for monthly payments of $50,000 beginning on December 15, 2022 and continuing until the $1,166,168 amount is paid in full. The note bears an interest rate of 6%.

- The Company entered into a loan agreement with an amount of $1,000,000. The loan bears 15% interest per annum and will be repaid over 42-months starting November 15th, 2022.

2022 OUTLOOK

As a result of the third quarter and nine month ended September 30, 2022 interim financial results, the Company updates its annual guidance as follows

- Expected consolidated net sales are **increased** from $50 million-55 million to $55 million -$60 million
- Expected gross margin as a percentage of net sales is 63%-65%.
- The Company expects to achieve positive Adjusted EBITDA for fiscal 2022.

“Based upon the momentum of our core brands, we are pleased to increase our revenue guidance, deliver strong gross margin and adjusted EBITDA expansion vs. year-ago, while simultaneously reducing our debt. It is a proof point in our ability to build and acquire clean ingredient brands and expand them into omni-channel environments with solid operational fundamentals and strong financial governance. 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 have successfully integrated the acquisitions of BRN/Seventh Sense and Hervé into three growth verticals: plant-based wellness, food and beverage, and health & beauty. As an example, our new Gen X-oriented wellness brand called Vibez, within the BRN/Seventh Sense umbrella, is already contributing to our Q4 result. Leveraging our existing resources and capability across a broader portfolio is driving synergies, operational scale and growth” 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.

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: 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 the quarter ended September 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.