

May 18, 2021



Nightfood Announces Fiscal Third Quarter 2021 Quarterly Results

Tarrytown, NY, May 18, 2021 (GLOBE NEWSWIRE) -- [via NewMediaWire](#) -- **Nightfood, Inc. (OTCQB: NGTF)**, the better-for-you snack company targeting the \$50 billion Americans spend annually on nighttime snacks, today announced its results of operations for its fiscal third quarter ended March 31, 2021. The Company will also be hosting an investor conference call on Wednesday, May 26, 2021 at 4:30 PM Eastern Time to discuss business updates and the quarter's financial results.

Fiscal third quarter 2021 recent developments and financial results include:

Recent Business Highlights:

- Subsequent to the end of the third quarter, Nightfood ice cream was delivered to Walmart and introduced on-shelf in over 1,000 Walmart locations from coast to coast.
- Management successfully initiated a retail pilot test of Nightfood sleep-friendly ice cream in the lobby grab-and-go shops of a global hotel group. A successful test is expected to result in national distribution in thousands of hotels across the country, across their portfolio of hotel brands.
- The Company introduced its bold new packaging design into the hotel test locations and into their major retail partners, including Walmart.
- Ice cream industry veteran and CPA Jerry Isaacson was appointed as Chief Financial Officer, significantly strengthening management with expertise in ice cream logistics, manufacturing, and procurement.
- The brand, which is recommended as the Official Ice Cream of the American Pregnancy Association, launched an education and awareness program with Brandshare to reach expecting moms through OBGYN offices around the country, helping establish Nightfood as the preferred ice cream of pregnant women and their families.
- Management strengthened the corporate balance sheet through a \$4.5 million financing round which closed in April, 2021. As a result of the timing, this transaction is not represented in the quarterly financials through March 31 but is noted in the Subsequent Events section. Since January 1, 2021, the Company has:
 - added over \$1,400,000 in cash to the balance sheet
 - eliminated, through repayment and negotiation, approximately \$4,000,000 in outstanding notes and payables
 - secured operating capital to pursue major corporate initiatives throughout 2021.

Year-to-Date Financial Results (Nine months ended March 31, 2021):

- Gross product sales decreased by 3% for the nine months ended March 31, 2021 to \$643,359 from \$666,438 during the same period in the year prior.
- Net revenue increased by 19% to \$270,919 for the nine months ended March 31, 2021 compared with \$227,257 in the same period in the year prior.
- Total operating expenses decreased by 24% to \$1,660,420 for the nine months ended March 31, 2021 compared with \$2,187,886 in the same period a year prior.
- Operating losses decreased by 29% from \$1,960,629 to \$1,389,501 for the nine months ended March 31, 2021.

Quarterly Financial Results (Three months ended March 31, 2021):

- Gross product sales decreased by 35% to \$181,172 in the three months ended March 31, 2021 compared with \$281,284 during the same period in the year prior.
- Net revenue decreased by 19% to \$96,762 in the three months ended March 31, 2021 compared with \$119,475 in the same period in the year prior.
- Total operating expenses decreased by 51% to \$487,567 for the three months ended March 31, 2021 compared with \$986,902 in the same period in the year prior. Operating losses decreased by 55% from \$867,427 to \$391,240 for the three months ended March 31, 2021.
- The decrease in operating losses is largely the result of lower spend on advertising and promotion, and other marketing expenses as the Company needed to preserve inventory during the introduction of the new packaging, and to ensure sufficient product was available to meet delivery timelines of new customers.
- During the three months ended March 31, 2021, no major new accounts were onboarded. During the same period last year, two major accounts were brought onboard, driving revenue increases. Walmart, now Nightfood's largest account, started carrying Nightfood products in April 2021. That revenue will be recognized in the current quarter, ending June 30, 2021.

“Our recent results reflect the transformation process we promised shareholders back in the Fall of 2020. With a clean balance sheet, a newly-strengthened management team, and our redesigned packaging, the pieces are in place for strong growth in calendar 2021. Since last quarter ended, we have added Walmart as a customer. This has more than doubled our store count with the introduction of Nightfood into over 1,000 Walmart locations across the country. As of today, we've exceeded last year's gross sales year-to-date and we have almost doubled net revenue with six weeks still remaining in our fiscal year. We're looking forward to discussing all recent and upcoming developments on our investor conference call next week,” said Sean Folkson, Chief Executive Officer of Nightfood.

At 4:30 PM Eastern Time on Wednesday, May 26, 2021, management will host a conference call to discuss Nightfood's quarterly business and financial results. To access the call, please use the following:

Dial-In Number: 1- 857-232-0157

Access Code: 422095

Investors and other interested parties may submit questions regarding the Company prior to the call to Stuart Smith at investors@nightfood.com by 12:00 PM Eastern on Monday, May 24, 2021. Which questions will be addressed will be based on the perceived relevance to the general shareholder base along with the questions' appropriateness in light of public disclosure rules.

For those unable to participate in the conference call at that time, a replay will be available at <https://www.smallcapvoice.com/clients/ngtf/> shortly after the call has concluded.

About Nightfood Holdings:

Nightfood Holdings, Inc. (OTC: NGTF), owns Nightfood, Inc. and MJ Munchies, Inc.

Nightfood has expanded distribution for its ice cream into major divisions of the largest supermarket chains in the United States: Kroger (Harris Teeter), Albertsons Companies (Jewel-Osco and Shaw's and Star Markets), and H-E-B (Central Market) as well as Lowe's Foods, Rouses Markets, and other independent retailers.

Most recently, the brand secured distribution in over 1,000 Walmart stores from coast to coast.

Nightfood won the 2019 Product of the Year award in the ice cream category in a Kantar survey of over 40,000 consumers. Nightfood was also named Best New Ice Cream in the 2019 World Dairy Innovation Awards.

Nightfood has been endorsed as the Official Ice Cream of the American Pregnancy Association and is the recommended ice cream for pregnant women. There are approximately 3,000,000 pregnant women in the United States at any given time, and ice cream is the single most-widely reported pregnancy craving. With more calcium, magnesium, zinc, prebiotic fiber, and casein protein, less sugar and a lower glycemic profile than regular ice cream, Nightfood has been identified as a better choice for expectant mothers.

Nightfood is not just for pregnant women. Over 80% of Americans snack regularly at night, resulting in an estimated 700M+ nighttime snack occasions weekly, and an annual spend on night snacks of over \$50 billion dollars, the majority of it on options that are understood to be both unhealthy, and disruptive to sleep quality.

Nightfood was formulated by sleep and nutrition experts with ingredients that research suggests can support nighttime relaxation and better sleep quality. Scientific research indicates unhealthy nighttime cravings are driven by human biology. Willpower is also weakest at night, and stress is another contributing factor. A majority of night snackers report feeling both guilty and out-of-control when it comes to their nighttime snacking.

Because unhealthy night snacking is believed to be biologically driven, and not a trend or a fad, management sees significant opportunity in pioneering the category of nighttime-specific snacks for better sleep.

MJ Munchies, Inc. was formed in 2018 as a new, wholly owned subsidiary of Nightfood Holdings, Inc. to capitalize on legally compliant opportunities in the CBD and marijuana edibles and related spaces. The Company is seeking licensing opportunities to market such products under the brand name "Half-Baked", for which they've successfully secured trademark rights.

Questions can be directed to investors@Nightfood.com

Management also encourages Nightfood shareholders to connect with the Company via these methods:

E-mail: By signing up at ir.nightfood.com, investors can receive updates of filings and news releases in their inbox.

Telegram: There is now a live, interactive Telegram group which interested parties can join to reach team members and discuss Nightfood. Ask questions, learn more about the company and discuss future prospects. Join the Telegram Group Here: <https://t.me/NightfoodHoldings>

YouTube: The company has established a new YouTube series which will feature weekly videos with team members, insights into latest industry developments, and provide a behind the scenes look at the latest company developments. Click here to subscribe to Nightfood's YouTube channel.

Forward Looking Statements:

This current press release contains "forward-looking statements," as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements in this press release which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future, including but not limited to, any products sold or cash flow from operations.

Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with distribution and difficulties associated with obtaining financing on acceptable terms. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that the beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in our most recent annual report for our last fiscal year, our quarterly reports, and other periodic reports filed from time-to-time with the Securities and Exchange Commission.

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Source: NightFood Holdings, Inc.