

August 14, 2023



Stryve Foods, Inc. Reports Second Quarter Fiscal 2023 Results

*Sequential Quarterly Net Sales Growth of 29.1%
Reduced Sequential Quarterly Adj. EBITDA Loss by 32.3%, New Company Record
Retail Dollar Sales Growth of 34.8% Year-over-Year in Measured Channels*

PLANO, Texas, Aug. 14, 2023 (GLOBE NEWSWIRE) -- Stryve Foods, Inc. ("Stryve" or "the Company") (NASDAQ: SNAX), an emerging healthy snack and eating platform disrupting traditional consumer packaged goods (CPG) categories, and a leader in the air-dried meat snack industry in the United States, today reports financial and operating results for the three months and six months ended June 30, 2023.

Chris Boever, Chief Executive Officer, commented, "In line with our pre-release on July 13th, our net sales sequentially increased 29.1% to \$6.0 million for the second quarter. We continue to make significant progress on our transformation to Stryve 2.0 as evidenced by the positive consumer response to our new strategic brand positioning. The most recent 12-week SPINS data reflects meaningful year-over-year improvement in measured channels with dollar sales increasing 34.8%, total distribution points expanding 19.1%, and equivalized price-mix improving 15.8%. These metrics are indicative that our strategy is resonating with consumers and our retail partners.

"The progress made to date, reinforced by the positive external metrics, are evidence that our important growth initiatives are working. Additional sales growth, coupled with our rationalized cost structure and productivity agenda, creates operational leverage, and positions us to build a profitable and sustainable business over time. I am excited and confident about our future," Boever concluded.

Alex Hawkins, Chief Financial Officer, said, "Our second quarter results are a product of the progress we have made on our cost mitigation strategies. Our work resulted in a 61.7% year-over-year reduction in our total operating expenses in the second quarter, resulting in a \$12.6 million improvement in our operating loss, despite the expected lower, rationalized, sales volume when compared to the prior year period.

"The significant growth our brands have shown in the retail consumption data is a great leading indicator of future growth trends in our sales, we are working off a smaller, rationalized base. In the second half, our volumes will continue to reflect our rationalized base with the timing of that growth impacted by the normalization of retailers' review cycles in the post-COVID environment. By managing and improving our unit economics, maintaining an optimized spending profile, and seeking to meaningfully grow net sales, we are confident that we can drive further reductions in our net losses moving forward.

“We have made investments in our working capital to support the distribution ramp forecasted from continued new distribution. Balancing our cash and liquidity positions, against growing the business, is critical, and we remain committed to this moving forward by managing our working capital, reducing our losses, and prudently utilizing our other sources of liquidity, including our line of credit and recently launched ATM facility.” concluded Hawkins.

Second Quarter 2023 Highlights

- Net sales of \$6.0 million, compared to \$10.9 million in the year-ago quarter. Net sales declined primarily due to the Company’s discontinuation of non-profitable accounts, rationalization of low-quality revenue, which included the discontinuation of slow-moving and margin losing items.
- Gross profit of \$1.1 million, or 17.5% of net sales, compared to negative gross profit of (\$4.4) million in the 2022 quarter. Improvements reflect strategic pricing and sourcing efforts, as well as the elimination of low-quality revenue and non-profitable accounts.
- Operating loss of (\$3.4) million, compared to operating loss of (\$16.0) million in the 2022 second quarter.
- Announced a 1-for-15 reverse stock split of the Company’s issues and outstanding Class A and Class V common stock that was effective July 14, 2023.
- Interest expense of \$1.0 million for the 2023 second quarter includes approximately \$0.4 million of non-cash interest expense related to the accounting treatment of the warrants connected to the promissory notes issued on April 19, 2023.
- Net loss of (\$4.3) million, or (\$2.05) per share, compared to a net loss of (\$16.4) million, or (\$7.93) per share, in the 2022 second quarter.
- Adjusted loss per share of (\$1.66)¹ for the second quarter of 2023, which compares favorably to adjusted loss per share of (\$5.85) for the year-ago period.
- Adjusted EBITDA loss¹ of (\$2.4) million for the 2023 second quarter, compared to (\$11.4) million in the prior year quarter.

First Six Months 2023 Highlights

- Net sales of \$10.6 million, compared to \$18.4 million in the year-ago quarter. Net sales declined primarily due to the Company’s discontinuation of non-profitable accounts, rationalization of low-quality revenue, which included the discontinuation of slow-moving and lower margin items.
- Gross profit of \$2.0 million, or 18.9% of net sales, compared to negative gross profit of (\$3.3) million in the 2022 period.
- Operating loss of (\$7.6) million, compared to operating loss of (\$23.1) million in the 2022 period.
- Interest expense of \$1.4 million for the 2023 first half includes approximately \$0.4 million of non-cash interest expense related to the accounting treatment of the

warrants connected to the promissory notes issued on April 19, 2023.

- Net loss of (\$9.0) million, or (\$4.27) per share, compared to a net loss of (\$23.7) million, or (\$11.70) per share, in the 2022 six-month period.
- Adjusted loss per share of (\$3.80)¹ for the six months of 2023, which compares favorably to adjusted loss per share of (\$9.38) for the year-ago period.
- Adjusted EBITDA loss¹ of (\$5.9) million for the 2023 six months, compared to (\$17.6) million in the prior year period.

¹ Adjusted EBITDA and adjusted loss per share are a non-GAAP financial measure as defined and reconciled to GAAP below.

Conference Call

The Company will conduct a conference call today at 4:30 p.m. Eastern Time to discuss financial and operating results for the second quarter ended June 30, 2023. To access the call live by phone, dial (888) 349-0091 or (412) 902-4234 and ask for the Stryve Foods call at least 10 minutes prior to the start time. A telephonic replay will be available through August 28, 2023, by calling (844) 512-2921 or (412) 317-6671 and using passcode ID:10181547. A webcast of the call will also be available live and for later replay on the Company's Investor Relations website at <https://ir.stryve.com/news-events>.

About Stryve Foods, Inc.

Stryve is a premium air-dried meat snack company that is conquering the intersection of high protein, great taste, and health under the brands of Braaitime, Kalahari, Stryve, and Vacadillos. Stryve sells highly differentiated healthy snacking and food products in order to disrupt traditional snacking and CPG categories. Stryve's mission is "to help Americans eat better and live happier, better lives." Stryve offers convenient products that are lower in sugar and carbohydrates and higher in protein than other snacks and foods. Stryve's current product portfolio consists primarily of air-dried meat snack products marketed under the Stryve®, Kalahari®, Braaitime®, and Vacadillos® brand names. Unlike beef jerky, Stryve's all-natural air-dried meat snack products are made of beef and spices, are never cooked, contain zero grams of sugar*, and are free of monosodium glutamate (MSG), gluten, nitrates, nitrites, and preservatives. As a result, Stryve's products are Keto and Paleo diet friendly. Further, based on protein density and sugar content, Stryve believes that its air-dried meat snack products are some of the healthiest shelf-stable snacks available today. Stryve also markets and sells human-grade pet treats under the brand Two Tails, made with simple, all-natural ingredients and 100% real beef with no fillers, preservatives, or by-products.

Stryve distributes its products in major retail channels, primarily in North America, including grocery, club stores and other retail outlets, as well as directly to consumers through its ecommerce websites and through the Amazon platform. For more information about Stryve, visit www.stryve.com or follow us on social media at [@stryvebiltong](https://twitter.com/stryvebiltong).

* All Stryve Biltong and Vacadillos products contain zero grams of added sugar, with the exception of the Chipotle Honey flavor of Vacadillos, which contains one gram of sugar per serving.

Cautionary Note Regarding Forward-Looking Statements

Certain statements made herein are “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate”, “may”, “will”, “would”, “could”, “intend”, “aim”, “believe”, “anticipate”, “continue”, “target”, “milestone”, “expect”, “estimate”, “plan”, “outlook”, “objective”, “guidance” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, including, but not limited to, statements regarding Stryve’s plans, strategies, objectives, targets and expected financial performance. These forward-looking statements reflect Stryve’s current views and analysis of information currently available. This information is, where applicable, based on estimates, assumptions and analysis that Stryve believes, as of the date hereof, provide a reasonable basis for the information and statements contained herein. These forward-looking statements involve various known and unknown risks, uncertainties and other factors, many of which are outside the control of Stryve and its officers, employees, agents and associates. These risks, uncertainties, assumptions and other important factors, which could cause actual results to differ materially from those described in these forward-looking statements, include: (i) the inability to achieve profitability due to commodity prices, inflation, supply chain interruption, transportation costs and/or labor shortages; (ii) the ability to recognize the anticipated benefits of the Business Combination or meet financial and strategic goals, which may be affected by, among other things, competition, supply chain interruptions, the ability to pursue a growth strategy and manage growth profitability, maintain relationships with customers, suppliers and retailers and retain its management and key employees; (iii) the risk that retailers will choose to limit or decrease the number of retail locations in which Stryve’s products are carried or will choose not to carry or not to continue to carry Stryve’s products; (iv) the possibility that Stryve may be adversely affected by other economic, business, and/or competitive factors; (v) the effect of the COVID-19 pandemic on Stryve; (vi) the possibility that Stryve may not achieve its financial outlook; (vii) risks around the Company’s ability to continue as a going concern and (viii) other risks and uncertainties described in the Company’s public filings with the SEC. Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those projections and forward-looking statements are based.

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-Financial Statements Follow-

Stryve Foods, Inc.

Condensed Consolidated Statement of Operations

(In thousands, except share and per share data)

**For The Three Months
Ended June 30,**

**For The Six Months
Ended June 30,**

	2023		2022	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
SALES, net	\$ 5,997	\$ 10,946	\$ 10,643	\$ 18,367
COST OF GOODS SOLD (exclusive of depreciation shown separately below)	4,946	15,371	8,629	21,668
GROSS PROFIT	1,051	(4,425)	2,014	(3,301)
OPERATING EXPENSES				
Selling expenses	1,779	4,717	3,748	8,743
Operations expense	625	1,349	1,139	2,580
Salaries and wages	1,469	3,510	3,632	6,096
Depreciation and amortization expense	552	503	1,104	948
Prepaid media reserve	-	1,489	-	1,489
(Gain) loss on disposal of fixed assets	1	(24)	1	(24)
Total operating expenses	4,426	11,544	9,624	19,832
OPERATING LOSS	(3,375)	(15,969)	(7,610)	(23,133)
OTHER (EXPENSE) INCOME				
Interest expense	(964)	(181)	(1,363)	(369)
Change in fair value of Private Warrants	10	40	19	85
Other expense	7	(215)	(7)	(215)
Total other (expense) income	(947)	(356)	(1,351)	(499)
NET LOSS BEFORE INCOME TAXES	(4,322)	(16,325)	(8,961)	(23,632)
Income tax (benefit) expense	(13)	29	(10)	36
NET LOSS	\$ (4,309)	\$ (16,354)	\$ (8,951)	\$ (23,668)
Loss per common share:				
Basic and diluted	\$ (2.05)	\$ (7.93)	\$ (4.27)	\$ (11.70)
Weighted average shares outstanding:				
Basic and diluted	2,105,620	2,063,099	2,095,621	2,023,713

Stryve Foods, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2023	December 31, 2022
	<i>(unaudited)</i>	<i>(audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 320	\$ 623
Accounts receivable, net	2,973	2,489
Inventory, net	8,351	8,259
Prepaid expenses and other current assets	1,072	1,551
Total current assets	12,716	12,922
Property and equipment, net	7,897	8,817
Right of use asset, net	4,813	5,010
Goodwill	8,450	8,450
Intangible asset, net	4,241	4,362
TOTAL ASSETS	\$ 38,117	\$ 39,561
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 4,512	\$ 3,010
Accrued expenses	1,816	1,728
Current portion of lease liability	338	328
Line of credit, net of debt issuance costs	882	1,046
Promissory notes payable, net of debt discount and debt issuance costs	2,246	-
Promissory notes payable due to related parties, net of debt discount and debt issuance costs	855	-
Current portion of long-term debt and other short-term borrowings	273	969
Total current liabilities	10,922	7,081
Long-term debt, net of current portion, net of debt issuance costs	5,605	3,697
Lease liability, net of current portion	4,558	4,734
Financing obligation - related party operating lease	7,500	7,500
Deferred tax liability, net	2	2
Deferred stock compensation liability	168	90
Warrant liability	2	21

TOTAL LIABILITIES	<u>28,757</u>	<u>23,125</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock - \$0.0001 par value, 10,000,000 shares authorized, 0 shares issued and outstanding	-	-
Class A common stock - \$0.0001 par value, 400,000,000 shares authorized, 1,757,588 and 1,715,186 shares issued and outstanding, respectively	-	-
Class V common stock - \$0.0001 par value, 15,000,000 shares authorized, 405,313 and 419,974 shares issued and outstanding	-	-
Additional paid-in-capital	135,563	133,688
Accumulated deficit	(126,203)	(117,252)
TOTAL STOCKHOLDERS' EQUITY	<u>9,360</u>	<u>16,436</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 38,117</u>	<u>\$ 39,561</u>

Stryve Foods, Inc.
Condensed Consolidated Statement of Cash Flows
(In thousands)

**For The Six Months
Ended June 30,**

2023 **2022**

(unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	\$ (8,951)	\$ (23,668)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	983	827
Amortization of intangible assets	121	121
Amortization of debt issuance costs	124	-
Amortization of debt discount	387	-
Amortization of right-of-use asset	197	98
(Gain) loss on disposal of fixed assets	1	(24)
Prepaid media reserve	-	1,489
Bad debt expense	80	289
Stock based compensation expense	618	712
Change in fair value of Private Warrants	(19)	(85)
Changes in operating assets and liabilities:		

Accounts receivable	(564)	(1,644)
Inventory	(93)	563
Vendor deposits	-	4
Prepaid media spend	-	46
Prepaid expenses and other current assets	479	566
Accounts payable	1,502	(540)
Accrued liabilities	88	933
Operating lease obligations	(166)	(65)
Net cash used in operating activities	\$ (5,213)	\$ (20,378)

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchase of equipment	(64)	(2,033)
Cash received for sale of equipment	-	41
Net cash used in investing activities	\$ (64)	\$ (1,992)

CASH FLOWS FROM FINANCING ACTIVITIES

PIPE capital raise	-	32,311
Post closing adjustment of Business Combination Agreement	-	(238)
Repayments on long-term debt	(76)	(4,909)
Borrowings on related party debt	1,175	-
Borrowings on short-term debt	12,967	-
Repayments on short-term debt	(8,877)	(2,000)
Debt issuance costs	(176)	-
Deferred offering costs	(39)	-
Net cash provided by financing activities	\$ 4,974	\$ 25,164
Net change in cash and cash equivalents	(303)	2,794
Cash and cash equivalents at beginning of period	623	2,217
Cash and cash equivalents at end of period	\$ 320	\$ 5,011

SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$ 755	\$ 403
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NON-CASH INVESTING AND FINANCING ACTIVITY:

Non-cash commercial premium finance borrowing	\$ 291	\$ -
Issuance of warrants in connection with debt instrument	\$ 1,375	\$ -

Reconciliation of GAAP to Non-GAAP Information

Stryve uses non-GAAP financial information and believes it is useful to investors as it provides additional information to facilitate comparisons of historical operating results, identify trends in operating results, and provide additional insight on how the management team evaluates the business. Stryve's management team uses EBITDA, Adjusted EBITDA,

and Adjusted Earnings Per Share to make operating and strategic decisions, evaluate performance and comply with indebtedness related reporting requirements. Below are details on this non-GAAP measure and the non-GAAP adjustments that the management team makes in the definition of EBITDA, Adjusted EBITDA and Adjusted Earnings Per Share. Stryve believes this non-GAAP measure should be considered along with net income (loss), the most closely related GAAP financial measure. A reconciliation between EBITDA and net income (loss) is below:

(In thousands)	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2023	2022	2023	2022
	(unaudited)		(unaudited)	
Net loss before income taxes	\$ (4,322)	\$ (16,326)	\$ (8,961)	\$ (23,632)
Interest expense	964	181	1,363	369
Depreciation and amortization expense	552	503	1,104	948
EBITDA	\$ (2,806)	\$ (15,642)	\$ (6,494)	\$ (22,315)
Additional Adjustments:				
Severances and One-Time Employee Related Costs	-	1,346	-	1,425
One-Time Reserves and Write Downs	-	2,562	-	2,562
Stock Based Compensation Expense	432	384	618	712
Adjusted EBITDA	\$ (2,374)	\$ (11,350)	\$ (5,876)	\$ (17,616)

(In thousands except share and per share information)	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	\$ (4,309)	\$ (16,354)	\$ (8,951)	\$ (23,668)
Weighted average shares outstanding	2,105,620	2,063,099	2,095,621	2,023,713
Basic & Diluted Net Loss per Share	\$ (2.05)	\$ (7.93)	\$ (4.27)	\$ (11.70)
Additional Adjustments:				
Severances and One-Time Employee Related Costs	-	0.65	-	0.70
One-Time Reserves and Write Downs	-	1.24	-	1.27
Stock Based Compensation Expense	0.21	0.19	0.29	0.35

Non-Cash Interest Attributable to Warrants Issued in Connection with Notes	0.18	-	0.18	-
Adjusted Earnings per Share	\$ (1.66)	\$ (5.85)	\$ (3.80)	\$ (9.38)



Source: Stryve Foods, Inc.