

November 14, 2023



Stryve Foods, Inc. Reports Third Quarter Fiscal 2023 Results

*Improved Adj. EBITDA Loss by 35.0% Year-over-Year
Retail Dollar Sales Growth of 21.0% Year-over-Year in Measured Channels¹
46.8% Year-over-Year Reduction in YTD Operating Expenses Shows Transformation Progress*

PLANO, Texas, Nov. 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 nine months ended September 30, 2023.

The Company’s products in the aggregate continue to outperform the category in measured channels. The most recent 24-week SPINS data reflects meaningful year-over-year improvement in measured channels with retail dollar sales increasing 21.0%, total distribution points expanding 9.9%, and equivalized price-mix improving 16.4%¹. These metrics are derived from check-out register scan data and management believes they are indicative that the Company’s strategy is resonating with consumers and retailers alike.

Chris Boever, Chief Executive Officer, commented, “I am very pleased with the progress we are making on our transformation and the improved foundation we have built. We have made tremendous strides in our cost structure, cash management, pricing, and operating model. In addition, we have significantly improved our quality and are now progressing with our growth plans, inclusive of brand positioning and packaging. The response from the retailer community has been positive, further energizing my enthusiasm to deliver on our growth potential. Our simplification initiative includes streamlining our portfolio, a component of which includes SKU rationalization and packaging refresh. I’m excited to share that work is nearing completion as we transition to the new packaging. While early, indicators reflect a significant improvement in retail velocity in response to the new packaging.

Further, as I have consistently stated, total points of distribution will be a key metric of progress and a leading indicator for growth. I am pleased to share that our distribution points are growing at 13.4% in the most recent 12-week data². In addition, in the coming weeks we expect to announce several new customer wins as well as expansions with existing customers all of which would be incremental growth in distribution,” Boever remarked.

Alex Hawkins, Chief Financial Officer, said, “We have reduced our total operating expenses by 31.4% in the third quarter, resulting in a 23.1% improvement in our operating loss despite the lower, rationalized, sales volume when compared to the prior year period. In

addition, we have managed our inventory levels down by approximately \$2.1 million from Q2'23, further evidence of our improved management of cash, positively contributing to cash flow from operations. We have and will continue to opportunistically raise funds through the utilization of our ATM facility to support our liquidity. Also, I am pleased to share that we have worked closely with our lenders and that as of this month, we have increased our ability to utilize previously untapped borrowing capacity on our line of credit, thereby creating additional near-term liquidity for the business,” Hawkins concluded.

Boever continued, “We have rebuilt the entire organization in a short period of time, streamlining and prioritizing the value drivers. We are positioned, better than ever, to capitalize on the consumer benefits of our brands. Our points of difference are on-trend and as we reach scale, combined with the significantly improved operating model and cost structure, we will deliver a profitable business in the near future.”

Third Quarter 2023 Highlights

- Net sales of \$4.2 million, compared to \$6.2 million in the year-ago quarter, down 32.3%. 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. Further, last year’s third quarter period was benefited by a non-normal increase in shipments as the business caught up from network-wide out-of-stocks attributable to the execution challenges the Company encountered during the second quarter of 2022. This catch-up dynamic did not exist in the third quarter of 2023.
- Gross profit of \$0.6 million, or 13.3% of net sales, compared to gross profit of \$1.4 million in the 2022 third quarter. The decline is primarily attributable to lower volumes leading to under absorption of costs in the Company’s manufacturing facilities. Also contributing to the decline is the liquidation sales of rationalized, obsolete, and slow-moving inventory in the quarter.
- Operating loss of (\$3.7) million, compared to operating loss of (\$4.8) million in the 2022 third 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 \$1.1 million for the 2023 third quarter includes approximately \$0.5 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 (\$4.8) million, or (\$2.14) per share, compared to a net loss of (\$5.0) million, or (\$2.40) per share, in the 2022 third quarter.
- Adjusted loss per share³ of (\$1.66) for the third quarter of 2023, which compares favorably to adjusted loss per share of (\$2.21) for the year-ago period.
- Adjusted EBITDA loss³ of (\$2.5) million for the 2023 third quarter, compared to (\$3.9) million in the prior year quarter.

First Nine Months 2023 Highlights

- Net sales of \$14.8 million, compared to \$24.5 million in the year-ago comparable period. 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 \$2.6 million, or 17.3% of net sales, compared to negative gross profit of (\$1.9) million in the 2022 period.
- Operating loss of (\$11.3) million, compared to operating loss of (\$27.9) million in the 2022 period.
- Interest expense of \$2.5 million for the 2023 first nine months includes approximately \$0.9 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 (\$13.7) million, or (\$6.41) per share, compared to a net loss of (\$28.6) million, or (\$14.05) per share, in the 2022 nine-month period.
- Adjusted loss per share³ of (\$5.44) for the nine months of 2023, which compares favorably to adjusted loss per share of (\$11.60) for the prior year period.
- Adjusted EBITDA loss³ of (\$8.4) million for the 2023 nine months, compared to (\$21.6) million in the prior year period.

¹ Source: SPINS data for the 24-week period ending October 8th, 2023.

² Source: SPINS data for the 12-week period ending October 8th, 2023.

³ 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 third quarter ended September 30, 2023. To access the call live by phone, dial (888) 886-7789 or (416) 764-8658 and ask for the Stryve Foods call at least 10 minutes prior to the start time. A telephonic replay will be available through November 28, 2023, by calling (844) 512-2921 and using passcode ID:148214195. 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, convenience store, mass merchants, and other retail outlets, as well as directly to

consumers through its ecommerce websites and through the Amazon and Wal*mart platforms. 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.

Investor Relations Contact:

Investor Relations

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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 September 30,		For The Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(unaudited)</i>		<i>(unaudited)</i>	
SALES, net	\$ 4,180	\$ 6,170	\$ 14,823	\$ 24,537
COST OF GOODS SOLD (exclusive of depreciation shown separately below)	3,624	4,786	12,253	26,454
GROSS PROFIT (LOSS)	<u>556</u>	<u>1,384</u>	<u>2,570</u>	<u>(1,917)</u>
OPERATING EXPENSES				
Selling expenses	1,771	2,641	5,518	12,873
Operations expense	326	1,085	1,465	3,664
Salaries and wages	1,572	1,940	5,205	8,035
Depreciation and amortization expense	552	518	1,656	1,466
Gain on disposal of fixed assets	(11)	(50)	(11)	(74)
Total operating expenses	<u>4,210</u>	<u>6,134</u>	<u>13,833</u>	<u>25,964</u>
OPERATING LOSS	<u>(3,654)</u>	<u>(4,750)</u>	<u>(11,263)</u>	<u>(27,881)</u>
OTHER (EXPENSE) INCOME				
Interest expense	(1,121)	(190)	(2,484)	(559)
Change in fair value of Private Warrants	1	15	20	100
Other expense	2	(43)	(5)	(259)
Total other (expense) income	<u>(1,118)</u>	<u>(218)</u>	<u>(2,469)</u>	<u>(718)</u>
NET LOSS BEFORE INCOME TAXES	<u>(4,772)</u>	<u>(4,968)</u>	<u>(13,732)</u>	<u>(28,599)</u>
Income tax expense (benefit)	7	1	(2)	37
NET LOSS	<u>\$ (4,779)</u>	<u>\$ (4,969)</u>	<u>\$ (13,730)</u>	<u>\$ (28,636)</u>
Loss per common share:				
Basic and diluted	\$ (2.14)	\$ (2.40)	\$ (6.41)	\$ (14.05)

Weighted average shares
outstanding:

Basic and diluted 2,237,211 2,066,130 2,143,336 2,037,895

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

	September 30, 2023	December 31, 2022
	<i>(Unaudited)</i>	<i>(audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 226	\$ 623
Accounts receivable, net	3,046	2,488
Inventory, net	6,273	8,259
Prepaid expenses and other current assets	1,018	1,551
Total current assets	<u>10,563</u>	<u>12,921</u>
Property and equipment, net	7,491	8,817
Right of use asset, net	4,713	5,010
Goodwill	8,450	8,450
Intangible asset, net	4,180	4,362
TOTAL ASSETS	<u>\$ 35,397</u>	<u>\$ 39,560</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,971	\$ 3,010
Accrued expenses	2,407	1,727
Current portion of lease liability	350	328
Line of credit, net of debt issuance costs	2,754	1,046
Promissory notes payable, net of debt discount and debt issuance costs	2,580	-
Promissory notes payable due to related parties, net of debt discount and debt issuance costs	1,015	-
Current portion of long-term debt and other short-term borrowings	736	969
Total current liabilities	<u>12,813</u>	<u>7,080</u>
Long-term debt, net of current portion, net of debt issuance costs	3,520	3,697

Lease liability, net of current portion	4,468	4,734
Financing obligation - related party operating lease	7,500	7,500
Deferred tax liability, net	2	2
Deferred stock compensation liability	358	90
Warrant liability	1	21
TOTAL LIABILITIES	29,662	23,124

COMMITMENTS AND CONTINGENCIES (Note 12)

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, 1,968,482 and 1,714,973 shares issued and outstanding, respectively	-	-
Class V common stock - \$0.0001 par value, 15,000,000 shares authorized, 405,313 and 419,941 shares issued and outstanding	-	-
Additional paid-in-capital	136,717	133,688
Accumulated deficit	(130,982)	(117,252)
TOTAL STOCKHOLDERS' EQUITY	5,735	16,436
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 35,397	\$ 39,560

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

**For The Nine Months
Ended September 30,**

2023 2022

(unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	\$ (13,731)	\$ (28,636)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	1,474	1,284
Amortization of intangible assets	182	182
Amortization of debt issuance costs	223	-

Amortization of debt discount	881	-
Amortization of right-of-use asset	297	149
Gain on disposal of fixed assets	(10)	(74)
Prepaid media reserve	-	1,489
Bad debt expense	199	323
Stock based compensation expense	948	810
Change in fair value of Private Warrants	(20)	(100)
Changes in operating assets and liabilities:		
Accounts receivable	(756)	434
Inventory	1,985	(1,711)
Vendor deposits	-	4
Prepaid media spend	-	46
Prepaid expenses and other current assets	533	(64)
Accounts payable	961	(554)
Accrued liabilities	680	1,000
Operating lease obligations	(244)	(116)
Net cash used in operating activities	\$ (6,398)	\$ (25,534)

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchase of equipment	(150)	(2,322)
Cash received for sale of equipment	11	41
Net cash used in investing activities	\$ (139)	\$ (2,281)

CASH FLOWS FROM FINANCING ACTIVITIES

PIPE capital raise	-	32,311
Exercise of Prefunded Warrants	-	1
Post closing adjustment of Business Combination Agreement	-	(238)
Proceeds from the issuance of common stock, net	1,016	-
Borrowings on long-term debt	-	3,940
Repayments on long-term debt	(121)	(4,989)
Borrowings on related party debt	1,175	-
Borrowings on short-term debt	16,556	1,136
Repayments on short-term debt	(12,269)	(2,000)
Debt issuance costs	(176)	(209)
Deferred offering costs	(39)	-
Payments in lieu of fractional shares in connection with the reverse stock split	(2)	-
Net cash provided by financing activities	\$ 6,140	\$ 29,952

Net change in cash and cash equivalents	(397)	2,137
Cash and cash equivalents at beginning of period	623	2,217

Cash and cash equivalents at end of period	\$	226	\$	4,354
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SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$	1,160	\$	402
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**NON-CASH INVESTING AND FINANCING
ACTIVITY:**

Non-cash commercial premium finance borrowing	\$	843	\$	1,013
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Issuance of warrants in connection with debt instrument	\$	1,375	\$	-
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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:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2023	2022	2023	2022
(In thousands)	<i>(unaudited)</i>		<i>(unaudited)</i>	
Net loss before income taxes	\$ (4,772)	\$ (4,967)	\$ (13,733)	\$ (28,599)
Interest expense	1,121	190	2,484	559
Depreciation and amortization expense	552	518	1,656	1,466
EBITDA	\$ (3,099)	\$ (4,259)	\$ (9,593)	\$ (26,574)
Additional Adjustments:				
Severances and One-Time Employee Related Costs	—	285	—	1,631
One-Time Reserves and Write Downs	—	—	—	2,562
Stock Based Compensation Expense	330	98	948	810
ATM Facility Setup Fees/Expenses	93	—	93	—

Legacy Product - Maui Relief Donations & Liquidation Sales	157	—	157	—
Adjusted EBITDA	\$ (2,519)	\$ (3,876)	\$ (8,395)	\$ (21,571)

(In thousands except share and per share information)	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	\$ (4,779)	\$ (4,968)	\$ (13,731)	\$ (28,636)
Weighted average shares outstanding	2,237,211	2,066,130	2,143,336	2,037,895
Basic & Diluted Net Loss per Share	\$ (2.14)	\$ (2.40)	\$ (6.41)	\$ (14.05)
Additional Adjustments:				
Severances and One-Time Employee Related Costs	—	0.14	—	0.80
One-Time Reserves and Write Downs	—	—	—	1.26
Stock Based Compensation Expense	0.15	0.05	0.44	0.39
Non-Cash Interest Attributable to Warrants Issued in Connection with Notes	0.22	—	0.41	—
ATM Facility Setup Fees/Expenses	0.04	—	0.04	—
Legacy Product - Maui Relief Donations & Liquidation Sales	0.07	—	0.07	—
Adjusted Earnings per Share	\$ (1.66)	\$ (2.21)	\$ (5.44)	\$ (11.60)



Source: Stryve Foods, Inc.