

November 14, 2022



Stryve Foods, Inc. Reports Fiscal 2022 Third Quarter Results

Transformation Delivering as Planned with Accelerating Margins & Operating Expense Improvements

Lowest Historical Net Loss of \$4.97M and Adjusted EBITDA Loss of \$3.88M

Strong Retail Consumption and Distribution Gains

PLANO, Texas, Nov. 14, 2022 (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 and nine months ended September 30, 2022.

Chris Boever, Chief Executive Officer, commented, "I am pleased with the progress we have made on our transformation, the results of which can be seen in the improvement in margins, operating expenses, and performance in measured channels. We have improved Q3 to a respectable 22.4% gross margin versus negative Q2 gross margins -- and delivered the best quarter in the Company's history in terms of Adjusted EBITDA. Our productivity initiatives are underway across the organization to further drive positive financial outcomes.

"We have launched a consumer-focused renovation and innovation agenda, highlighting our points of difference, which are designed to enable expansion with our highly valued retail partners. We expect to build on the momentum in the measured channels while maintaining focused discipline on our execution. We are building capabilities across the organization, improving our execution and expanding distribution of our great tasting, on-trend, healthier brands; Stryve, Vacadillos, and Kalahari to an expanding consumer base.

"I am excited to welcome Chris Whitehair to our Stryve Board, he brings a wealth of strategic expertise in the CPG space. I'd like to also thank my Stryve teammates for their unrelenting efforts and commitment to this change agenda, as together, we are unlocking the potential of our great portfolio of brands. We are excited and inspired each day to make more progress toward our profitability goals for 2023," Boever concluded.

Alex Hawkins, Chief Financial Officer, said, "This quarter illustrates the positive changes we're driving throughout our business. With significantly improved price/mix, better procurement and improving yields, we have made great progress toward recovering our gross margins. We also have made meaningful progress on our restructuring plans with a 46% reduction in our operating expenses, which greatly narrows losses and the monthly cash burn. We've established a leaner organization and have simplified our operations and offerings to facilitate focused execution.

“Within our productivity agenda, we are continuously assessing opportunities to drive long-term value. An example of this is the acceleration of our SKU rationalization program. We identified and rationalized a meaningful amount of revenue that was not aligned with our expectations of healthy margins or cash conversion. While this will pull revenue down in the short term, it will allow us to allocate resources to drive productivity and prioritized execution with a clear focus on our core business. Accordingly, with the highlighted transformational initiatives, higher-quality revenue base, accelerated SKU rationalization, and absent any significant externalities, we are revising our full-year net sales estimates to a range of \$29 to \$32 million with modest sequential improvements expected for our fourth quarter Adjusted EBITDA loss.

“Also in the third quarter, we successfully secured \$21M of non-dilutive, committed borrowing capacity through a combination of facilities that augments our liquidity to support the business as we execute on our initiatives,” concluded Hawkins.

Third Quarter Highlights

- Net sales of \$6.2 million compared to \$9.1 million in the year-ago quarter.
- Gross profit of \$1.4 million or 22.4% of net sales compared to gross profit of \$3.3 million or 35.9% of net sales in the 2021 quarter.
- Operating loss of (\$4.7) million, compared to operating loss of (\$8.2) million in the 2021 third quarter.
- Net loss of (\$4.97) million, or (\$0.16) per share, compared to a net loss of (\$8.71) million, or (\$0.48) per share, in the 2021 third quarter.
- Adjusted loss per share of (\$0.15)¹ for the third quarter of 2022, was adjusted for stock-based compensation and other items, which compares favorably to Adjusted loss per share of (\$0.44) for the year-ago period.
- Adjusted EBITDA loss¹ of (\$3.88) million for the 2022 third quarter, compared to (\$6.93) million in the prior year quarter.

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

First Nine Months Highlights

- Net sales of \$24.5 million for the nine months, increased 5.6% from \$23.2 million versus the year-ago period.
- Gross profit was negative of (\$1.9) million for the first nine months, compared to a positive gross profit of \$9.5 million, or 40.9% of net sales in the 2021 period. The decline in gross profit year-over-year is primarily attributable to a limited-time retailer-specific promotional event that occurred in the second quarter of 2022.
- Operating loss of (\$27.9) million for the first nine months, compared to operating loss of (\$19.8) million in the 2021 prior year period. The 2022 period included significant one-time charges from restructuring efforts under new leadership that were recorded in

the first nine months totaling \$4.2 million, mostly during the second quarter.

- Net loss of (\$28.64) million, or (\$0.94) per share for the first nine months, compared to a net loss of (\$20.03) million, or (\$1.56) per share, in the 2021 prior year period.
- Adjusted loss per share of (\$0.77)¹ for the first nine months of 2022, was adjusted for restructuring charges, stock-based compensation and other items, which compares favorably to Adjusted loss per share of (\$1.63) for the year-ago period.
- Adjusted EBITDA loss¹ of (\$21.57) million for the first nine months, compared to a (\$17.14) million Adjusted EBITDA loss in the comparable 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 quarter ended September 30, 2022. To access the call live by phone, dial (844) 826-3035 and ask for the Stryve Foods call at least 10 minutes prior to the start time. A telephonic replay will be available through November 21, 2022, by calling (844) 512-2921 and using passcode ID: 10172618#. 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 an emerging healthy snacking and food company that manufactures, markets and sells highly differentiated healthy snacking and food products that Stryve believes can 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 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.

* 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 and (vii) 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.

Unaudited 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,**

	2022		2021	
	2022		2021	
(In thousands)	<i>(unaudited)</i>		<i>(unaudited)</i>	
SALES, net	\$	6,170	\$	9,062
	\$	24,537	\$	23,248
COST OF GOODS SOLD (exclusive of depreciation shown separately below)		4,786		5,808
		26,454		13,735
GROSS (LOSS) MARGIN	\$	1,384	\$	3,254
	\$	(1,917)	\$	9,513
OPERATING EXPENSES				
Selling expenses	\$	2,640	\$	5,827
Operations expense		1,085		1,234
Salaries and wages		1,940		3,973
Depreciation and amortization expense		518		402
Gain on disposal of fixed assets		(50)		(13)
Total operating expenses		6,133		11,423
		25,964		29,286
OPERATING LOSS		(4,749)		(8,169)
		(27,881)		(19,773)
OTHER (EXPENSE) INCOME				
Interest expense		(190)		(758)
PPP loan forgiveness		-		-
Change in fair value of Private Warrants		15		213
Gain on debt extinguishment		-		-
Other (expense) income		(43)		3
Total other (expense) income		(218)		(542)
		(718)		(260)
NET LOSS BEFORE INCOME TAXES		(4,967)		(8,711)
		(28,599)		(20,033)
Income taxes		1		-
		37		-
NET LOSS	\$	(4,968)	\$	(8,711)
	\$	(28,636)	\$	(20,033)
Loss per common share:				
Basic and diluted	\$	(0.16)	\$	(0.48)
	\$	(0.94)	\$	(1.56)
Weighted average shares outstanding:				

Basic and diluted	30,991,943	18,263,099	30,568,431	12,878,733
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Stryve Foods, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands)

(In thousands)	September 30, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 4,355	\$ 2,217
Accounts receivable, net	2,143	2,900
Inventory, net	8,927	7,216
Prepaid media spend, net of reserve	-	450
Prepaid expenses and other current assets	2,528	2,256
Total current assets	17,953	15,039
Property and equipment, net	7,896	6,826
Right of use asset, net	618	767
Goodwill	8,450	8,450
Intangible asset, net	4,423	4,604
Prepaid media spend, net of reserve and net of current portion	-	1,085
Other assets	-	4
TOTAL ASSETS	\$ 39,340	\$ 36,775
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 2,544	\$ 3,098
Accrued expenses	2,635	1,635
Current portion of lease liability	215	168
Line of credit	123	3,500
Current portion of long-term debt	1,559	3,447
Total current liabilities	7,076	11,848
Long-term debt, net of current portion	3,471	120
Lease liability, net of current portion	436	599
Financing obligation - related party operating lease	7,500	7,500
Deferred tax liability, net	67	67
Deferred stock compensation liability	603	71
Warrant liability	29	128

TOTAL LIABILITIES	19,182	20,333
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, 22,964,806 and 8,633,755 shares issued and outstanding, respectively	2	1
Class V common stock - \$0.0001 par value, 200,000,000 shares authorized, 7,488,343 and 11,502,355 shares issued and outstanding	1	1
Additional paid-in-capital	132,902	100,551
Accumulated deficit	(112,747)	(84,111)
TOTAL STOCKHOLDERS' EQUITY	20,158	16,442
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 39,340	\$ 36,775

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

(In thousands)	Nine Months Ended	
	Sept 30, 2022 (unaudited)	Sept 30, 2021 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (28,636)	\$ (20,033)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	1,284	1,009
Amortization of intangible assets	182	185
Amortization of debt issuance costs	-	546
Amortization of right-of-use asset	149	-
Gain on disposal of fixed assets	(74)	-
Gain on debt extinguishment	-	(545)
Prepaid media reserve	1,489	-
Obsolete inventory reserve	861	-
Interest income on members loan receivable	-	(27)
Bad debt expense	323	514
Forgiveness on paycheck protection program loan	-	(1,670)
Stock based compensation expense	810	-

Change in fair value of Private Warrants	(100)	(213)
Forgiveness of Notes Receivable	-	1,701
Changes in operating assets and liabilities:		
Accounts receivable	435	(4,332)
Inventory	(2,572)	(2,141)
Vendor deposits	4	-
Prepaid media spend	45	(171)
Prepaid expenses and other current assets	(64)	(2,236)
Accounts payable	(554)	(357)
Accrued liabilities	1,000	147
Operating lease payments	(116)	-
Net cash used in operating activities	\$ (25,534)	\$ (27,623)

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchase of equipment	(2,321)	(898)
Cash received for sale of equipment	41	65
Net cash used in investing activities	\$ (2,280)	\$ (833)

CASH FLOWS FROM FINANCING ACTIVITIES

Investment from Andina	-	36,136
PIPE capital raise	32,311	-
Exercise of Prefunded Warrants	1	-
Repurchase of member shares	-	(100)
Post closing adjustment of BCA	(238)	-
Borrowings on long-term debt	3,940	-
	(4,989)	(4,231)
Repayments on long-term debt	-	9,294
Borrowings on related party debt	-	(7,890)
Repayments on related party debt	-	(7,890)
Borrowings on short-term debt	1,136	19,694
Repayments on short-term debt	(2,000)	(11,142)
Debt issuance costs	(209)	(507)
Net cash provided by financing activities	\$ 29,952	\$ 41,254
Net change in cash and cash equivalents	2,138	12,798
Cash and cash equivalents at beginning of period	2,217	592
Cash and cash equivalents at end of period	\$ 4,355	\$ 13,389

SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$ 402	\$ 2,848
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NON-CASH INVESTING AND FINANCING ACTIVITY:

Non-cash retirement of Bridge Notes	\$ -	\$ 10,857
Non-cash commercial premium finance borrowing	\$ 1,013	\$ -

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:

	Three Month Period Ended	Three Month Period Ended	Nine Month Period Ended	Nine Month Period Ended
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
(In thousands)				
Net loss before income taxes	\$ (4,967)	\$ (8,711)	\$ (28,599)	\$ (20,033)
Interest expense	190	758	559	2,715
Depreciation and amortization	518	402	1,466	1,194
EBITDA	\$ (4,259)	\$ (7,551)	\$ (26,574)	\$ (16,124)
Additional Adjustments:				
PPP loan forgiveness	-	-	-	(1,670)
Severances and One-Time Employee Related Costs	285	-	1,631	-
One-Time Reserves and Write Downs	-	-	2,562	-
Business combination expenses	-	(1,077)	-	-
Stock based compensation expense	98	-	810	-
Non-cash compensation expense	-	1,701	-	1,701
Comparability adjustment - Public vs. Private	-	-	-	(1,049)
Adjusted EBITDA	\$ (3,876)	\$ (6,926)	\$ (21,572)	\$ (17,142)

Three Month Period Ended	Three Month Period Ended	Nine Month Period Ended	Nine Month Period Ended
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	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
(In thousands except share and per share information)				
Net loss	\$ (4,968)	\$ (8,711)	\$ (28,636)	\$ (20,033)
Weighted average shares outstanding	30,991,943	18,263,099	30,568,431	12,878,733
Basic & Diluted Net Loss per Share	\$ (0.16)	\$ (0.48)	\$ (0.94)	\$ (1.56)
Additional Adjustments:				
PPP loan forgiveness	-	-	-	(0.13)
Severances and One-Time Employee Related Costs	0.01	-	0.05	-
One-Time Reserves and Write Downs	-	-	0.08	-
Business combination expenses	-	(0.06)	-	-
Stock based compensation expense	0.00	-	0.03	-
Non-cash compensation expense	-	0.09	-	0.13
Comparability adjustment - Public vs. Private	-	-	-	(0.08)
Adjusted Earnings per Share	\$ (0.15)	\$ (0.44)	\$ (0.77)	\$ (1.63)



Source: Stryve Foods, Inc.