

May 14, 2024



Stryve Foods, Inc. Reports Fiscal 2024 First Quarter Results

*Retail Sales Velocity Increasing +23.2% Year-over-Year¹
Improved Adj. EBITDA Loss by 35.2% Year-over-Year³
Reiterating Net Sales Guidance Range of \$24M to \$30M*

PLANO, Texas, May 14, 2024 (GLOBE NEWSWIRE) -- Stryve Foods, Inc. ("Stryve" or "the Company") (NASDAQ: SNAX), an emerging healthy snacking platform and leader in the air-dried meat snack industry in the United States, today reports financial and operating results for the three months ended March 31, 2024.

Q1 2024 – Improved Mix and Growing Momentum

The Company has continued its strategic transformation in the first quarter of 2024 showing meaningful year-over-year improvements in sales mix with higher gross margins, lower operating expenses, and significantly narrowed losses resulting in the Company's the lowest loss quarter ever in terms of Adjusted EBITDA. Management's strategy has been to transform the business to put it in a position to reap the benefits of high-quality growth and operating leverage. The Company rationalized its topline considerably throughout the last two years in an effort to focus on quality core revenue streams, cut back underperforming SKUs and accounts. In doing so, it has strengthened its unit economics and looks to ramp the last phase of the overall transformation in 2024, accelerating quality growth.

Retail Performance

In measured channels, the Company's retail brands in the aggregate continue to outperform the overall meat snack category and that trend has continued to accelerate. Recent 12-Week SPINS data reflects meaningful year-over-year improvement in measured channels for the Stryve family of brands with retail dollar sales increasing 23.5%, total dollar velocities increasing 23.2%, and market share increasing 9.7bps¹. Each of those year-over-year measures was exceeded in the 4-Week SPINS data of the same date, which reflects an increase in retail dollar sales of 29.5%, increase in total dollar velocities of 37.5%, and an increase in market share of 10.7bps². Management believes that this acceleration is a sign of the impact of the Company's transformation efforts, and in particular the new packaging and refreshed branding as well as the significant improvements in quality that have been achieved. Retail sales velocity and other retail metrics are derived from check-out register scan data reported by retailers and management believes they are indicative that the Company's strategy is resonating with consumers and retailers alike.

Chris Boever, Chief Executive Officer, commented, "The first quarter of 2024 marks the next phase of transformation for Stryve Foods. With the significant improvements we have made on costs, capabilities, process, and quality mostly behind us, we are excited and

energized about the future, executing the strategy supporting our vision to redefine the snacking industry with healthier, high-protein solutions that meet the evolving needs of today's consumers.”

Reiterating Fiscal Year 2024 Outlook

For fiscal year 2024, Stryve Foods reiterates its net sales guidance in the range of \$24 million to \$30 million, with expectations for volume acceleration in the 2nd half of the year contributing to considerable year-over-year gross margin improvement and increasing each quarter as more volume comes online.

Alex Hawkins, Chief Financial Officer, said, “Our net sales were largely flat year-over-year in Q1, however, we believe the makeup of that revenue is improved and aligned with our strategic focus on our quality core revenue streams. The benefit of those strategic actions is evident in our achievement of improved gross profit despite higher commodity costs year over year. Further, absent any significant externality or significant increase in beef prices, we should see both our gross and Adj. EBITDA margins continue to improve as our volumes increase throughout the year benefitting from our improved mix, productivity, and retooled cost structure which was strategically redesigned with operating leverage in mind.”

Convertible Bridge Notes

The Company previously announced on April 9th, 2024, the closing of approximately \$1.6 million in convertible bridge notes with approximately \$1.1 million of that coming from insider and related party participants. These bridge notes have helped to fund the ramp in working capital required by the new distribution secured by the Company.

First Quarter 2024 Highlights

- Net sales of \$4.6 million, similar to the first quarter a year ago. Net sales were largely flat in part due to the Company’s discontinuation of certain retail programs, rationalization of low-quality revenue, which included the discontinuation of slow-moving and margin losing items some of which was still present in the prior year period. However, the Company’s packaging transitions, improved sell-through, and growth in quality core accounts offset the majority of the rationalized revenues in the first quarter.
- Gross profit of \$1.0 million compared to gross profit of \$0.96 million in the 2023 first quarter. First quarter 2024 improved performance is primarily attributable to improved mix partially offset by higher commodity beef costs than in the prior year period. Other factors contributing to the first quarter of 2024’s gross profit include under absorption of fixed costs in the Company’s manufacturing facilities as a result of the strategic rationalization efforts of management, and phase-out of legacy items.
- Operating loss of (\$3.0) million for the first quarter of 2024, compared to operating loss of (\$4.2) million in the 2023 first quarter.
- Other Expense of \$0.9 million for the 2024 first quarter includes \$0.6 million of interest expense and approximately \$0.3 million of a non-cash loss on the extinguishment of debt related to the accounting treatment of the repricing of the warrants connected to the extension of the promissory notes issued on April 19, 2023.
- Net loss of (\$3.9) million, or (\$1.42) per share for the first quarter of 2024 as compared

to a net loss of (\$4.6) million, or (\$2.23) per share, in the 2023 first quarter.

- Adjusted loss per share³ of (\$1.20) for the first quarter of 2024, which compares favorably to adjusted loss per share of (\$2.14) for the year-ago period.
- Adjusted EBITDA loss³ of (\$2.3) million for the 2024 first quarter, compared to (\$3.5) million in the prior year quarter.

¹ Source: SPINS data for the 12-week period ending March 24th, 2024.

² Source: SPINS data for the 4-week period ending March 24th, 2024.

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 first quarter ended March 31, 2024. To access the call live by phone, dial 1-800-717-1738 or 1-646-307-1865 at least 10 minutes before the call and ask to be joined into the Stryve call. A replay will be available through May 28, 2024, by dialing 1-844-512-2921 or 1-412-317-6671 and using the replay PIN number: 1154614#. 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 brands Two Tails and Primal Paws, 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.

* 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 March 31,	
	2024	2023
	<i>Unaudited</i>	
SALES, net	\$ 4,598	\$ 4,646
COST OF GOODS SOLD (exclusive of depreciation shown separately below)	3,582	3,683
GROSS PROFIT	1,016	963
OPERATING EXPENSES		
Selling expenses	1,597	1,969
Operations expense	353	514
Salaries and wages	1,607	2,163
Depreciation and amortization expense	462	552
Total operating expenses	4,019	5,197
OPERATING LOSS	(3,003)	(4,234)
OTHER (EXPENSE) INCOME		
Interest expense	(583)	(399)
Loss on extinguishment of debt	(334)	-
Change in fair value of Private Warrants	-	8
Other expense	-	(14)
Total other (expense) income	(917)	(405)
NET LOSS BEFORE INCOME TAXES	(3,920)	(4,639)
Income tax expense	9	3
NET LOSS	\$ (3,929)	\$ (4,643)
Loss per common share:		
Basic and diluted	\$ (1.42)	\$ (2.23)
Weighted average shares outstanding:		
Basic and diluted	2,775,259	2,085,514

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

	March 31, 2024	December 31, 2023
	<i>(unaudited)</i>	<i>(audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 280	\$ 369
Accounts receivable, net	2,320	2,092
Inventory, net	5,021	5,200
Prepaid expenses and other current assets	537	720
Total current assets	8,158	8,381
Property and equipment, net	6,765	7,151
Right of use assets, net	4,506	4,610
Goodwill	8,450	8,450
Intangible assets, net	4,059	4,120
TOTAL ASSETS	\$ 31,938	\$ 32,712
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 6,334	\$ 4,460
Accrued expenses	2,447	2,688
Current portion of lease liability	376	362
Line of credit, net of debt issuance costs	3,796	3,568
Promissory notes payable, net of debt discount and debt issuance costs	2,914	2,914
Promissory notes payable due to related parties, net of debt discount and debt issuance costs	1,175	1,175
Current portion of long-term debt and other short-term borrowings	479	606
Total current liabilities	17,521	15,773
Long-term debt, net of current portion, net of debt issuance costs	3,421	3,475
Lease liability, net of current portion	4,270	4,372
Financing obligation - related party operating lease	7,500	7,500
TOTAL LIABILITIES	32,712	31,120

COMMITMENTS AND CONTINGENCIES (Note 12)
STOCKHOLDERS' (DEFICIT) 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, 2,898,194 and 2,249,189 shares issued and outstanding (net of 53,333 and 53,333 treasury shares), respectively	-	-
Class V common stock - \$0.0001 par value, 15,000,000 shares authorized, 382,892 and 382,892 shares issued and outstanding	-	-
Additional paid-in-capital	139,447	137,885
Accumulated deficit	(140,221)	(136,293)
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(774)	1,592
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	\$ 31,938	\$ 32,712

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

**For The Three Months
Ended
March 31,**

2024	2023
<i>(unaudited)</i>	

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	\$ (3,929)	\$ (4,643)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	402	491
Amortization of intangible assets	60	61
Amortization of debt issuance costs	55	40
Amortization of right-of-use asset	104	99
Loss on extinguishment of debt	335	-
Reserve for credit losses	154	73
Stock based compensation expense	270	186
Change in fair value of Private Warrants	-	(8)
Changes in operating assets and liabilities:		
Accounts receivable	(381)	(563)
Inventory	179	8
Income tax receivables and payables, net	2	-

Prepaid expenses and other current assets	183	74
Accounts payable	1,858	1,345
Accrued liabilities	4	301
Operating lease obligations	(87)	(90)
Net cash used in operating activities	\$ (791)	\$ (2,626)

CASH FLOWS FROM INVESTING ACTIVITIES

Cash paid for purchase of equipment	-	(49)
Net cash used in investing activities	\$ -	\$ (49)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from the issuance of common stock, net	712	-
Borrowings on long-term debt	-	2,000
Repayments on long-term debt	(22)	(30)
Borrowings on short-term debt	3,923	3,360
Repayments on short-term debt	(3,911)	(2,901)
Net cash provided by financing activities	\$ 702	\$ 2,429

Net change in cash and cash equivalents	(89)	(246)
Cash and cash equivalents at beginning of period	369	623
Cash and cash equivalents at end of period	\$ 280	\$ 377

SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$ 405	\$ 399
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NON-CASH INVESTING AND FINANCING ACTIVITY:

Non-cash commercial premium finance borrowing	\$ -	\$ 291
Common stock issued for accrued expenses	\$ 147	\$ -
Common stock issued for accrued expenses - related party	\$ 100	\$ -
Accrued fixed assets	\$ 16	\$ -

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 Loss

Before Income Taxes, and Net Loss, the most closely related GAAP financial measure. Reconciliation between EBITDA, Adjusted EBITDA, Adjusted Earnings per Share, Net Loss Before Income Taxes, and Net Loss are below:

	For The Three Months Ended March 31,	
	2024	2023
	(unaudited)	
(In thousands)		
Net loss before income taxes	\$ (3,920)	\$ (4,639)
Interest expense	583	399
Depreciation and amortization expense	462	552
EBITDA	\$ (2,875)	\$ (3,689)
Additional Adjustments:		
Loss on Extinguishment of Debt	334	-
Stock Based Compensation Expense	270	186
Adjusted EBITDA	\$ (2,271)	\$ (3,503)

	For The Three Months Ended March 31,	
	2024	2023
	(unaudited)	
(In thousands except share and per share information)		
Net loss	\$ (3,929)	\$ (4,643)
Weighted average shares outstanding	2,775,259	2,085,514
Basic & Diluted Net Loss per Share	\$ (1.42)	\$ (2.23)
Additional Adjustments:		
Loss on Extinguishment of Debt	0.12	—
Stock Based Compensation Expense	0.10	0.09
Adjusted Earnings per Share	\$ (1.20)	\$ (2.14)



Source: Stryve Foods, Inc.