

August 14, 2024



# Stryve Foods, Inc. Reports Fiscal 2024 Second Quarter Results

*Lowest Adj. EBITDA Loss<sup>1</sup> in Company History with 34.8% Year-over-Year Improvement  
Gross Margin of 27.4% Shows Expansion of ~10pts versus Prior Year  
FY'24 Net Sales Guidance Range Implies YOY Growth of 30.0% to 46.9%*

PLANO, Texas, Aug. 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 and six months ended June 30, 2024. The Company reported strong sequential revenue growth, improved gross margins, and a continued reduction in net loss, reflecting the ongoing success of its business transformation initiatives.

Key highlights include net sales of \$6.2 million representing sequential growth from the first quarter of 34.4% and 3.0% year-over-year growth as compared to the second quarter of 2023. Additionally, the Company improved its gross margin substantially to 27.4% in the second quarter, up from 17.5% in the prior year period, underscoring the Company's focus on driving profitable volumes, operational efficiency, and cost management.

## **Q2 2024 – Another Record-Breaking Quarter**

The Company's strategic transformation continued in the second quarter of 2024 showing year-over-year improvements in gross margin, lower operating expenses, and significantly narrowed losses resulting in the Company's 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 benefit from growth and operating leverage. The Company's rationalization and productivity efforts are proving out as expected, delivering improved gross margins despite experiencing higher commodity costs versus the prior year. Additionally, the simplified portfolio has enabled management to further streamline operations and reduce costs. The second quarter of 2024 marks the beginning of the third phase of Stryve's overall transformation. Significant progress has been made on operational improvements across the enterprise, and management plans to continue driving accelerated growth in a quality manner to capitalize on the redesigned business's potential for operating leverage as it scales.

**Chris Boever, Chief Executive Officer, commented,** "The second quarter of 2024 was another significant improvement for Stryve Foods, as we continued to execute our transformation plan with discipline and focus. Our success in expanding distribution and improving gross margins underscores the strength of our strategy and the dedication of our team. We are excited about the momentum we are building as we further establish Stryve as a leader in the healthy protein snacking category. Our ongoing innovation efforts and operational improvements have set the stage for sustainable growth and profitability in the

quarters to come.”

### **Fiscal Year 2024 Revised Outlook**

For fiscal year 2024, Stryve Foods updates its net sales guidance to the range of \$23 million to \$26 million representing 30.0% to 46.9% growth year over year, with expectations for the increased volumes in the back half contributing to considerable year-over-year gross margin improvement as more volume comes online.

**Alex Hawkins, Chief Financial Officer, said,** “We are pleased with the financial progress we made in the second quarter, highlighted by our enhanced gross margins and reduced operating expenses. Our disciplined approach to cost management and strategic investments in high-potential areas have positioned us well for future growth. As we move forward, we remain committed to optimizing our operations, managing our capital efficiently, and delivering value to our shareholders.”

### **Convertible Promissory Notes**

During the second quarter, the Company closed approximately \$3.0 million in convertible promissory notes with approximately \$1.7 million of that coming from insider and related party participants. These convertible promissory notes have helped to fund the ramp in working capital required by the new distribution secured by the Company.

### **Second Quarter 2024 Highlights**

- Net sales of \$6.2 million, up 3.0% as compared to the second quarter a year ago. The mix of net sales improved year over year 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 while improved sell-through and growth in quality core accounts more than offset the rationalized revenues in the second quarter.
- Gross profit of \$1.7 million compared to gross profit of \$1.1 million in the second quarter of 2023. The improved performance is primarily attributable to enhanced sales-mix and better utilization of the facilities partially offset by higher commodity costs than in the prior year period.
- Operating loss of (\$2.2) million for the second quarter of 2024, compared to operating loss of (\$3.4) million in the 2023 second quarter.
- Other Expense of \$0.7 million for the 2024 second quarter is primarily attributable to interest expense and is down from \$0.9 million in the prior year period. The prior year period is burdened by approximately \$0.4 million in interest expense related to the accounting treatment of the warrants issued in connection with the certain bridge notes issued in April 2023.
- Net loss of (\$3.0) million, or (\$0.91) per share for the second quarter of 2024 as compared to a net loss of (\$4.3) million, or (\$2.05) per share, in the 2023 second quarter.
- Adjusted loss per share<sup>1</sup> of (\$0.83) for the second quarter of 2024, which compares favorably to adjusted loss per share of (\$1.84) for the year-ago period.
- Adjusted EBITDA loss<sup>3</sup> of (\$1.5) million for the 2024 second quarter which represents a 34.8% improvement compared to (\$2.4) million in the prior year quarter.

## Year-to-Date 2024 Highlights

- Net sales of \$10.8 million for the six months ended June 30<sup>th</sup>, 2024, up 1.2% as compared to the comparable period a year ago. The mix of net sales improved year over year 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 while improved sell-through and growth in quality core accounts more than offset the rationalized revenues so far this year.
- Gross profit of \$2.7 million for the six months ended June 30<sup>th</sup>, 2024, compared to gross profit of \$2.0 million in prior year period. The current year period's improved performance is primarily attributable to enhanced sales-mix and better utilization of the facilities partially offset by higher commodity costs than in the prior year period.
- Operating loss of (\$5.2) million for the six months ended June 30<sup>th</sup>, 2024, as compared to operating loss of (\$7.6) million in the prior year period.
- Other Expense of \$1.7 million for the six months ended June 30<sup>th</sup>, 2024, is up \$0.3 million as compared to \$1.4 million in the comparable period a year ago. This increase is in part attributable to 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. The prior year period was burdened by approximately \$0.4 million in interest expense related to the accounting treatment of the warrants issued in connection with those same bridge notes issued in April 2023. The remaining difference is primarily attributable to interest expense on new convertible bridge notes put in place during the current year period.
- Net loss of (\$6.9) million, or (\$2.29) per share for the six months ended June 30<sup>th</sup>, 2024, as compared to a net loss of (\$9.0) million, or (\$4.27) per share, in the prior year period.
- Adjusted loss per share<sup>1</sup> of (\$2.00) for the six months ended June 30<sup>th</sup>, 2024, which compares favorably to adjusted loss per share of (\$3.98) for the year-ago period.
- Adjusted EBITDA loss<sup>3</sup> of (\$3.8) million for the six months ended June 30<sup>th</sup>, 2024, which represents a 35.0% improvement compared to (\$5.9) million in the prior year period.

<sup>1</sup> 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, 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 August 28, 2024, by dialing 1-844-512-2921 or 1-412-317-6671 and using the replay PIN number: 1111896 #. 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](http://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

[ir@stryve.com](mailto:ir@stryve.com)

**-Financial Statements Follow-**

**Stryve Foods, Inc.**  
**Condensed Consolidated Statement of Operations**  
(In thousands, except share and per share data)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<i>(unaudited)</i>		<i>(unaudited)</i>	
SALES, net	\$ 6,178	\$ 5,997	\$ 10,776	\$ 10,643
COST OF GOODS SOLD (exclusive of depreciation shown separately below)	4,484	4,946	8,066	8,629
GROSS PROFIT	1,694	1,051	2,710	2,014
OPERATING EXPENSES				
Selling expenses	1,577	1,779	3,174	3,747
Operations expense	412	625	764	1,139
Salaries and wages	1,530	1,470	3,137	3,633
Depreciation and amortization expense	408	552	870	1,104
Gain on disposal of fixed assets	-	1	-	1
Total operating expenses	3,927	4,427	7,945	9,624
OPERATING LOSS	(2,233)	(3,376)	(5,235)	(7,610)
OTHER (EXPENSE) INCOME				

Interest expense	(728)	(963)	(1,310)	(1,363)
Loss on extinguishment of debt	-	-	(335)	-
Change in fair value of Private Warrants	-	10	-	19
Other expense	-	7	-	(7)
Total other (expense) income	(728)	(946)	(1,645)	(1,351)
NET LOSS BEFORE INCOME TAXES	(2,961)	(4,322)	(6,880)	(8,961)
Income tax expense (benefit)	1	(13)	10	(10)
NET LOSS	\$ (2,962)	\$ (4,309)	\$ (6,890)	\$ (8,951)
Loss per common share:				
Basic and diluted	\$ (0.91)	\$ (2.05)	\$ (2.29)	\$ (4.27)
Weighted average shares outstanding:				
Basic and diluted	3,254,028	2,105,620	3,014,671	2,095,621

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalent	\$ 447	\$ 369
Accounts receivable, net	2,953	2,092
Inventory, net	4,801	5,200
Prepaid expenses and other current assets	396	720
Total current assets	8,597	8,381
Property and equipment, net	6,448	7,151
Right of use assets, net	4,401	4,610
Goodwill	8,450	8,450
Intangible assets, net	3,999	4,120
TOTAL ASSETS	\$ 31,895	\$ 32,712
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>		
<b>CURRENT LIABILITIES</b>		

Accounts payable	\$ 5,670	\$ 4,460
Accrued expenses	2,683	2,688
Current portion of lease liability	326	362
Line of credit, net of debt issuance costs	4,169	3,568
Promissory notes payable, net of debt discount and debt issuance costs	4,157	2,914
Promissory notes payable due to related parties, net of debt discount and debt issuance costs	2,864	1,175
Current portion of long-term debt and other short-term borrowings	423	606
Total current liabilities	20,292	15,773
Long-term debt, net of current portion, net of debt issuance costs	3,331	3,475
Lease liability, net of current portion	4,232	4,372
Financing obligation - related party operating lease	7,500	7,500
TOTAL LIABILITIES	35,355	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, 2,964,653 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, 380,260 and 382,892 shares issued and outstanding	-	-
Additional paid-in-capital	139,723	137,885
	(143,183)	(136,293)
Accumulated deficit		
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(3,460)	1,592
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	\$ 31,895	\$ 32,712

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

**Six Months Ended  
June 30,**

**2024                  2023**

*(unaudited)*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	\$ (6,890)	\$ (8,951)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	749	983
Amortization of intangible assets	121	121
Amortization of debt issuance costs	110	125
Amortization of debt discount	-	387
Amortization of debt premium	7	-
Amortization of right-of-use asset	208	197
Loss on extinguishment of debt	335	-
Gain on disposal of fixed assets	-	1
Reserve for credit losses	222	80
Stock based compensation expense	547	618
Change in fair value of Private Warrants	-	(19)
Changes in operating assets and liabilities:		
Accounts receivable	(1,084)	(565)
Inventory	399	(93)
Prepaid expenses and other current assets	325	479
Accounts payable	1,178	1,502
Accrued liabilities	243	88
Operating lease obligations	(177)	(166)
Net cash used in operating activities	\$ (3,707)	\$ (5,213)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash paid for purchase of equipment	(14)	(64)
Net cash used in investing activities	\$ (14)	\$ (64)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from the issuance of common stock, net	711	-
Repayments on long-term debt	(68)	(76)
Borrowings on related party debt	1,685	1,175
Borrowings on short-term debt	10,164	12,967
Repayments on short-term debt	(8,693)	(8,877)
Debt issuance costs	-	(176)
Deferred offering costs	-	(39)
Net cash provided by financing activities	\$ 3,799	\$ 4,974

Net change in cash and cash equivalents	78	(303)
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Cash and cash equivalents at beginning of period	369	623
Cash and cash equivalents at end of period	\$ 447	\$ 320

**SUPPLEMENTAL INFORMATION:**

Cash paid for interest	\$ 879	\$ 755
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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	\$ 32	\$ -

**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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
(In thousands)				
Net loss before income taxes	\$ (2,961)	\$ (4,322)	\$ (6,880)	\$ (8,961)
Interest expense	728	964	1,310	1,363
Depreciation and amortization expense	408	552	870	1,104
<b>EBITDA</b>	<b>\$ (1,825)</b>	<b>\$ (2,806)</b>	<b>\$ (4,700)</b>	<b>\$ (6,494)</b>
Additional Adjustments:				
Loss on Extinguishment of Debt	—	—	335	—
Stock Based Compensation Expense	276	432	547	618
<b>Adjusted EBITDA</b>	<b>\$ (1,549)</b>	<b>\$ (2,374)</b>	<b>\$ (3,818)</b>	<b>\$ (5,876)</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
(In thousands except share and per share information)				
Net loss	\$ (2,962)	\$ (4,309)	\$ (6,890)	\$ (8,951)
Weighted average shares outstanding	3,254,028	2,105,620	3,014,671	2,095,621
Basic & Diluted Net Loss per Share	\$ (0.91)	\$ (2.05)	\$ (2.29)	\$ (4.27)
Additional Adjustments:				
Loss on Extinguishment of Debt	—	—	0.11	—
Stock Based Compensation Expense	0.08	0.21	0.18	0.29
Adjusted Earnings per Share	\$ (0.83)	\$ (1.84)	\$ (2.00)	\$ (3.98)



Source: Stryve Foods, Inc.