

May 15, 2023



Stryve Foods, Inc. Reports First Quarter Fiscal 2023 Results

Third Consecutive Quarter of Improved Year-Over-Year Financial Results with Narrowed Losses and Improved Adjusted EBITDA

*New Distribution Gains at Walmart, Whole Foods Market, and Sprouts Announced
Reaffirmed 2023 Net Sales Guidance in a Range of \$28.0M to \$34.0M*

PLANO, Texas, May 15, 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 ended March 31, 2023.

Chris Boever, Chief Executive Officer, commented, "We are pleased with our first quarter results, in line with expectations, which gives us confidence to reaffirm full year fiscal 2023 sales guidance of \$28 million to \$34 million. We are extremely excited that our product innovation and packaging projects are in market and more are coming soon. We expect to see significant year-over-year distribution gains and improved consumption numbers in the upcoming periods, as reported by SPINS. Refreshed product packaging now showcases 'what's in the bag' highlighting our product benefits, improving our shelf presence, and dramatically improving the shopping experience for our growing consumer base.

"Several of our newly introduced product innovations are currently in market, including the Vacadillos beef sticks in approximately 10,000 7-Eleven and Speedway stores nationwide, as well as a significant expansion of Kalahari Grass Fed varieties which are now available chain-wide at the nation's largest natural retailer, Whole Foods Market. In addition, Kalahari has recently gained national distribution at Sprouts, complementing our existing Stryve distribution. The convenience channel continues to be a strategic growth engine for us with our team securing new and expanded distribution at numerous regional and independent chains across the country shipping in Q2.

"We are also improving our in-store execution and are pleased to share that we have secured a display program which is going live in approximately 1,000 Walmart stores for both Stryve and Vacadillos brands in May. This program is incremental to our everyday distribution at Walmart, which has also expanded with certain Vacadillos SKUs now available in approximately 1,800 Walmart stores across the country. Our Stryve 2.0 strategy is customer and category focused, we are executing on the core business fundamentals of distribution, shelving, merchandising, and pricing. These examples provide proof points as to how we are building the foundation to accelerate revenue and deliver a sustainable, profitable business in the coming quarters.

“We are making tremendous progress with our productivity initiative, attacking costs and investing responsibly for return. The entire organization is maniacally focused on targeted and prioritized projects and continuously improving every actionable opportunity, including product quality. I am pleased, confident and excited about our future as we transition to our next phase, growth. Thank you to the entire Stryve squad for their high level of engagement and commitment to building our brands and serving our customers and consumers, which we expect to yield material market share gains in the immediate future,” Boever concluded.

Alex Hawkins, Chief Financial Officer, said, “We know that our turnaround actions and process improvements have taken hold across the organization as evidenced by another quarter of improved bottom line results. With a significantly improved value proposition on our products, dramatically improved price-mix, repeatable operational processes, better procurement, and improving yields, we have built a sustainable operating company. As a part of that, we have materially reduced cash operating expenses and narrowed losses again this quarter. We have made further strides to establish a leaner, more productive organization, with streamlined operations and better offerings, and a cost structure well positioned to deliver profitability in the future with increased revenues.

“We successfully completed a capital raise of \$4.1 million a few weeks ago, and we believe this will allow us to execute against our near-term plans including supporting meaningful distribution gains in the second quarter. As we said last quarter, our planned ramp in quality revenues from Q1 to Q2 has required an investment in working capital. Consequently, we have been building net new inventory to support the launch of our new packaging. We believe that Q1 represented the trough of our turnaround efforts, and we expect to benefit from significantly better distribution starting in the second quarter,” concluded Hawkins.

First Quarter 2023 Highlights

- Net sales of \$4.6 million, compared to \$7.4 million in the year-ago quarter. Net sales declined primarily due to the Company’s rationalization of low-quality revenue, which included the discontinuation of slow-moving, lower margin items as well as non-profitable accounts.
- Gross profit of \$1.0 million, or 20.7% of net sales, compared to gross profit of \$1.1 million, or 15.1% of net sales, in the 2022 quarter. These results still reflect a drag on gross margins stemming from reduced volume and labor/overhead absorption in the quarter which management believes should improve in future quarters as volumes continue to grow.
- Operating loss of (\$4.2) million, compared to operating loss of (\$7.2) million in the 2022 first quarter.
- Net loss of (\$4.6) million, or (\$0.15) per share, compared to a net loss of (\$7.3) million, or (\$0.25) per share, in the 2022 first quarter.
- Adjusted loss per share of (\$0.14)¹ for the first quarter of 2023, which compares favorably to adjusted loss per share of (\$0.23) for the year-ago period.
- Adjusted EBITDA loss¹ of (\$3.5) million for the 2023 first quarter, compared to (\$6.3) 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.

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, 2023. To access the call live by phone, dial (888) 886-7786 and ask for the Stryve Foods call at least 10 minutes prior to the start time. A telephonic replay will be available through May 29, 2023, by calling (844) 512-2921 and using passcode ID:56407503. 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.

* 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)

(In thousands)	For The Three Months Ended March 31,	
	2023	2022
	(unaudited)	(unaudited)
SALES, net	\$ 4,646	\$ 7,421
COST OF GOODS SOLD (exclusive of depreciation shown separately below)	3,683	6,297

GROSS PROFIT	\$ 963	\$ 1,124
OPERATING EXPENSES		
Selling expenses	1,969	4,026
Operations expense	514	1,230
Salaries and wages	2,163	2,586
Depreciation and amortization expense	552	444
Total operating expenses	5,197	8,287
OPERATING LOSS	\$ (4,234)	\$ (7,163)
OTHER (EXPENSE) INCOME		
Interest expense	(399)	(188)
Change in fair value of Private Warrants	8	45
Other expense	(14)	-
Total other (expense) income	(405)	(143)
NET LOSS BEFORE INCOME TAXES	(4,639)	(7,306)
Income tax expense	3	8
NET LOSS	\$ (4,643)	\$ (7,314)
Loss per common share:		
Basic and diluted	\$ (0.15)	\$ (0.25)
Weighted average shares outstanding:		
Basic and diluted	31,283	29,758

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

	March 31, 2023	December 31, 2022
(In thousands)	(Unaudited)	(audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 377	\$ 623
Accounts receivable, net	2,978	2,489
Inventory, net	8,251	8,259

Prepaid expenses and other current assets	1,477	1,551
Total current assets	13,083	12,921
Property and equipment, net	8,374	8,817
Right of use asset, net	4,911	5,010
Goodwill	8,450	8,450
Intangible asset, net	4,301	4,362
TOTAL ASSETS	\$ 39,119	\$ 39,560

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 4,355	\$ 3,010
Accrued expenses	2,028	1,728
Current portion of lease liability	322	328
Line of credit, net of debt issuance costs	1,652	1,046
Current portion of long-term debt	890	969
Total current liabilities	9,247	7,081

Long-term debt, net of current portion, net of debt issuance costs	5,639	3,697
Lease liability, net of current portion	4,650	4,734
Financing obligation - related party operating lease	7,500	7,500
Deferred tax liability, net	2	2
Deferred stock compensation liability	275	90
Warrant liability	12	21
TOTAL LIABILITIES	27,326	23,124

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, 25,881,391 and 25,727,783 shares issued and outstanding, respectively	3	3
Class V common stock - \$0.0001 par value, 200,000,000 shares authorized, 6,145,995 and 6,299,603 shares issued and outstanding, respectively	1	1
Additional paid-in-capital	133,685	133,685
Accumulated deficit	(121,894)	(117,252)
TOTAL STOCKHOLDERS' EQUITY	11,794	16,436
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 39,119	\$ 39,560

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

(In thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,643)	\$ (7,314)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	491	384
Amortization of intangible assets	61	61
Amortization of debt issuance costs	40	-
Amortization of right-of-use asset	99	49
Bad debt expense	73	55
Stock based compensation expense	186	328
Change in fair value of Private Warrants	(8)	(45)
Changes in operating assets and liabilities:		
Accounts receivable	(563)	(758)
Inventory	8	(6,031)
Vendor deposits	-	4
Prepaid expenses and other current assets	74	69
Accounts payable	1,345	(335)
Accrued liabilities	301	(546)
Operating lease obligations	(89)	(48)
Net cash used in operating activities	\$ (2,626)	\$ (14,127)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of equipment	(49)	(693)
Cash received for sale of equipment	-	-
Net cash used in investing activities	\$ (49)	\$ (693)
CASH FLOWS FROM FINANCING ACTIVITIES		
PIPE capital raise	-	32,311
Post closing adjustment of Business Combination Agreement	-	(238)
Borrowings on long-term debt	2,000	-
Repayments on long-term debt	(30)	(4,844)

Borrowings on short-term debt	3,360	(0)
Repayments on short-term debt	(2,901)	(2,000)
Net cash provided by financing activities	\$ 2,429	\$ 25,230
Net change in cash and cash equivalents	(246)	10,409
Cash and cash equivalents at beginning of period	623	2,217
Cash and cash equivalents at end of period	\$ 377	\$ 12,626

SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$ 399	\$ 222
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NON-CASH INVESTING AND FINANCING ACTIVITY:

Non-cash commercial premium finance borrowing	\$ 291	\$ -
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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:

(In thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
Net loss before income taxes	\$ (4,639)	\$ (7,306)
Interest expense	399	188
Depreciation and amortization expense	552	444
EBITDA	\$ (3,689)	\$ (6,673)
Additional Adjustments:		
Stock based compensation expense	186	328
Adjusted EBITDA	\$ (3,503)	\$ (6,346)

(In thousands except share and per share information)	Three Months Ended	
	March 31, 2023	March 31, 2022

Net loss	\$ (4,643)	\$ (7,314)
Weighted average shares outstanding	31,282,710	29,758,343
Basic & Diluted Net Loss per Share	\$ (0.15)	\$ (0.25)
Additional Adjustments:		
Stock based compensation expense	0.01	0.01
Adjusted Earnings per Share	\$ (0.14)	\$ (0.23)



Source: Stryve Foods, Inc.