

# The Very Good Food Company Announces Q2 Financial Results

Vancouver, British Columbia--(Newsfile Corp. - August 31, 2020) - The Very Good Food Company Inc. (CSE: VERY) (OTC: VRYF) (FSE: 0SI) ("VGFC" or the "Company") today announced its second quarter ("Q2") financial results for the period ended June 30th, 2020.

## Second Quarter 2020 Financial Highlights

- Revenues were \$1,100,816 million, an increase of 395% year over year
- Gross profit margin of 42% over 6 month period, an improvement from 34%
- Total assets of \$6,757,062, including a cash balance of \$3,508,826
- Outstanding debt reduced by \$1.1 million
- Net loss was \$1,653,655 million, or \$0.03 per common share

CEO Mitchell Scott stated: "We were extremely pleased with our financial performance this quarter, with revenue growth and gross margins both producing industry leading results. With a very healthy balance sheet and quickly growing demand for our products, we are in a position of strength as we charge forward with our international expansion. Over the coming quarters, investors can expect to see significant progress on our next phase of growth, as we transition to becoming a much larger company with global ambitions."

## Management Discussion & Analysis

During the second quarter, the Company reported record quarterly revenue of \$1,100,816 million, up 225% quarter-over-quarter from \$338,552 and up nearly 400% year-over-year from \$222,054. The increase in revenues for the three months ended June 30, 2020 was mainly due to an increase in eCommerce Store sales associated with an eCommerce Partnership Agreement entered into during March 2020.

When compared to the 6 month period ended June 30, 2019 the Company has improved its gross margin from 34% to 42%. The Company continues to have industry leading margins when compared to competitors such as Beyond Meat, who recently announced a 29.7% gross margin on revenues.

Total assets held by the Company increased to \$6,757,062 which includes a cash balance of \$3,508,826. The increase in working capital was primarily due to an increase in cash from the completion of an Initial Public Offering. Subsequent to the date of the Q2 statements, the Company completed a prospectus offering of 6,555,000 units at \$1.30 per unit for gross proceeds of \$8,521,500.

During the quarter, the Company repaid \$1.1 million of outstanding debt. Where possible without incurring early repayment penalties, the Company intends to deleverage further, with a focus on debt bearing a higher interest rate.

## About The Very Good Food Company

The Very Good Food Company Inc. is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Our mission is to employ plant-based food technology to create products that are delicious while maintaining a wholesome nutritional profile. To date we have developed a core product line under The Very Good Butchers brand.

## For further information, please contact:

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### **Cautionary Note Regarding Forward-Looking Information**

*This news release contains forward-looking information. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "proposed", "expects", "intends", "may", "will", and similar expressions. Forward-looking information contained or referred to in this news release includes, but is not limited to: the ability to maintain industry leading margins, the continued growing demand for its products, and its ability to expand internationally.*

*Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to: negative cash flow and future financing requirements to sustain operations; dilution; limited history of operations and revenues and no history of earnings or dividends; competition; economic changes; the Company's application for listing on the OTCQB may not be approved; and the impact of and risks associated with the ongoing COVID-19 pandemic. The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company.*

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