



## The Fresh Factory Reports Strong Third-Quarter Results for Predecessor The Fresh Factory, PBC

- Year-to-date revenue of USD \$9.4 million, representing an increase of 50% compared to same period last year
- Quarterly revenue of USD \$3.3 million, representing an increase of 42% compared to same period last year
- Acquired Healthful Habits, LLC (“Phyter Bars”), allowing for entrance into the snack-bar market
- As part of public company transition, Bill Besenhofer appointed CEO, and Nate Laurell appointed Chair of the Board of Directors

CAROL STREAM, IL / ACCESSWIRE / November 30, 2021 – The Fresh Factory B.C. Ltd. (CSE: FRSH) (“The Fresh Factory” or the “Company”), a mission-driven company for plant-based and clean-label food and beverage brands, reports financial results for the third quarter ending September 30, 2021.

“We posted another strong quarter driven by solid execution, organic growth, and increasing demand from our customers across all channels,” said Bill Besenhofer, Chief Executive Officer and Co-Founder of The Fresh Factory. “The satisfaction of the escrow release conditions in connection with our recent USD \$9.0 million financing, in parallel with our debut as a public company, has put us in a strong position to expand our capabilities, execute on our strategy, and carry out important initiatives that we expect will propel us to the next level of growth.”

### Financial and Operational Highlights

*(All figures in this press release are in US dollars unless otherwise stated.)*

- Year-to-date revenue of \$9.4 million, an increase of 50% compared to YTD 2020.
- Quarterly revenue of \$3.3 million, 42% greater than Q3 2020.
- Year-to-date adjusted EBITDA of (\$0.30) million vs. (\$0.07) million YTD 2020.
- Commenced trading on the CSE on November 16, 2021, under the ticker symbol “FRSH”.

### Strategic Areas of Focus

The Fresh Factory is building a platform to service emerging food and beverage brands in the fresh-food sector with an emphasis on plant-based and clean-label brands. The Company has established four key areas of focus on which it will report moving forward on a quarterly basis:

- **Execution:** Focus on safety, high-quality operations, and strong margins
  - Product gross margin was 32.1% of revenue for Q3 2021 compared to 32.9% of revenue for the same period last year.

- The Company recently completed its annual SQF (Safe Quality Foods) audit, achieving a score of 99 out of 100. This is the fifth year the company has been SQF audited.
- **Growth:** Invest in and grow with the right brands across varied channels
  - Year-to-date revenue is \$9.4 million, an increase of 50% compared to YTD 2020.
  - Quarterly revenue was \$3.3 million, 42% greater than Q3 2020.
  - Revenue remains broadly diversified across direct-to-consumer, quick-service-restaurants, and retail customers.
  - The Fresh Factory acquired Phyter Bars, and began producing bars for several customers. Bars represent a significant growth area for the Company going forward.
- **Brand Portfolio:** Meaningful equity participation in the sector
  - The Company continues to invest in its two wholly owned brands, Field + Farmer and Element Pressed.
  - The Company's Field + Farmer brand, which produces plant-based dressings and dips made with farm-fresh ingredients, reported strong year-to-date revenue growth of 70%.
- **Sustainability:** Become a market leader in sustainability
  - The Company continues to develop a multi-year plan toward increased sustainability and other green initiatives.

## Executive Changes

As part of the transition from a privately held company to a publicly traded company, the Board of Directors of the Company appointed Bill Besenhofer as Chief Executive Officer and Nate Laurell as Chair of the Board. Both Bill and Nate are co-founders of The Fresh Factory.

Bill has over 18 years of experience in operations, including executive management and leading operations teams. Bill held the role of President and Chief Operating Officer of The Fresh Factory prior to his appointment as Chief Executive Officer and will continue overseeing all daily operations, in addition to the added responsibilities relating to strategic planning and shareholder engagement. Bill began his career in health care at Cardinal Health, a Top 20 Fortune 500 multinational integrated health-care service company, as a lean six-sigma black belt with a focus on operational process, improving cost-effectiveness, and optimizing performance. Bill most recently was the Operating Partner/COO for GreatPoint Ventures, a San Francisco-based venture fund where he maintained operational oversight and managed funds with investments in industry-leading companies such as Beyond Meat and Farmer's Fridge.

"One of the Board's top priorities is to ensure we have the leadership and resources in place to execute on our strategy," said Nate Laurell, Chair of the Board. "The Board is thrilled to promote Bill to CEO. He knows our business inside and out, with ever-increasing responsibilities over the years. His exemplary leadership and unwavering commitment to and passion for our people and brand made him a natural choice for this position."

## Reconciliation of Non-GAAP Financial Measures

There are measures included in this news release that do not have a standardized meaning under generally accepted accounting principles (GAAP) and therefore may not be comparable to similarly titled measures

and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance. EBITDA (earnings before interest, taxes, depreciation and amortization is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles) is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

We prepare and release quarterly unaudited and annual audited financial statements prepared in accordance with IFRS. We also disclose and discuss certain non-GAAP financial information, used to evaluate our performance, in this and other earnings releases and investor conference calls as a complement to results provided in accordance with IFRS. We believe that current shareholders and potential investors in the Company use non-GAAP financial measures, such as Adjusted EBITDA and Product Gross Margin, in making investment decisions about the Company and measuring our operational results.

The term "Adjusted EBITDA" refers to a financial measure that we define as earnings before interest, taxes, depreciation, amortization, stock-based compensation, and change in fair value of derivative liabilities. The term "Product Gross Margin" is defined as income after all variable costs associated with production, including food and other ingredient costs, all packaging costs, and all direct labor costs to produce the product.

Management believes that investors and financial analysts measure our business on the same basis, and we are providing the Adjusted EBITDA and Product Gross Margin financial metrics to assist in this evaluation and to provide a higher level of transparency into how we measure our own business. However, Adjusted EBITDA and Product Gross Margin are non-GAAP financial measures and may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA and Product Gross Margin should not be construed as a substitute for net income determined in accordance with IFRS or other non-GAAP measures that may be used by other companies, such as EBITDA. The use of Adjusted EBITDA and Product Gross Margin does have limitations. As certain acquisition-related expenses charges may continue as we pursue our consolidation strategy, some investors may consider these charges and expenses as a recurring part of operations rather than expenses that are not part of operations.

The financial statements of The Fresh Factory, PBC, a predecessor company to the Company, for the three- and nine-month period September 30, 2021 can be found on the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) under the heading "Financial statements of RTO acquirer".

### **About The Fresh Factory B.C. Ltd.**

The Fresh Factory is a vertically integrated company focused on accelerating the growth of the plant-based, clean-label food and beverage brands of tomorrow. The Fresh Factory owns or partners with emerging brands in the plant-based space to develop, manufacture, and sell products made from fresh produce and recognizable ingredients. It operates from its centrally located manufacturing facility near Chicago, serving customers across the US. As a B Corporation, The Fresh Factory is ESG-focused, driven to make a lighter, greener impact on the environment and a stronger, positive impact on local communities and the food system as a whole.

To learn more and receive news and updates about The Fresh Factory, visit [www.thefreshfactory.co](http://www.thefreshfactory.co), and find them on social media at [Instagram](#), [Twitter](#), and [LinkedIn](#).

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*This news release contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. All statements that address activities, events, or developments that Company expects or anticipates will, or may, occur in the future, including, among other things, information regarding: the limited history of operations, lack of profitability, availability of financing, the need for additional financing and the timing and amount of expenditures, information pertaining to strategy, plans, or future financial performance, such as statements with respect to future revenues, EBITDA, Adjusted EBITDA, product gross margin, cash flows and other statements that express management's expectations or estimates of future performance, the anticipated timing of future cash flow and positive EBITDA, and the ability to successfully execute on corporate strategies. In some cases, forward looking statements are preceded by, followed by, or include words such as "may", "will," "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "proposes", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", "anticipate" or the negative of those words or other similar or comparable words.*

*Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the Company, future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; the Company's production capacity and supply chain; the price of raw ingredients and materials; expectations regarding trends in the plant-based food industry; expectations with respect to the future growth of its food ingredient products; adverse changes in applicable laws; the failure to find economically viable acquisition targets or achieve organic growth targets; business integration risks; ability to manage growth; reliance on key personnel; economic spending in the food products industry; funding for internally developed products; customer retention and attrition; client demands; or adverse changes in the application or enforcement of current laws, including those related to taxation; the inability to locate and acquire suitable companies, properties and assets necessary to execute on the Company's business plans; and increasing costs of compliance with extensive government regulation. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions.*

*Although the management of the Company believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Risks and uncertainties applicable to the Company, as well as trends identified by the Company affecting its industry can be found in the final long form prospectus of the Company dated November 10, 2021 available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*

*No securities regulatory authority has in any way passed upon the merits of the proposed transactions described in this news release or has approved or disapproved of the contents of this news release.*