UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 18, 2019

Better Choice Company Inc.

(Exact name of registrant as specified in its charter)

Delaware	**333-161943**	**26-2754069**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

164 Douglas Rd E, Oldsmar, Florida	**34677**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (646) 846-4280

N/A
(Former name or former address, if changed, since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
N/A	N/A	N/A

EXPLANATORY NOTE

On December 26, 2019, Better Choice Company Inc., a Delaware corporation (the “Company,” “Better Choice,” or “BCC”), filed a Current Report on Form 8-K (the “Initial Form 8-K”), reporting under Item 2.01 of the Initial Form 8-K that on December 19, 2019 the Company completed the acquisition of Halo, Purely for Pets, Inc., a Delaware corporation (“Halo”) in accordance with the terms of the Amended and Restated Stock Purchase Agreement, dated as of December 18, 2019 (the “Stock Purchase Agreement”), by and among the Company, Halo, Thriving Paws, LLC, a Delaware limited liability company (“Thriving Paws”), HH-Halo LP, a Delaware limited partnership (“HH-Halo” and, together with Thriving Paws, the “Sellers”) and HH-Halo, in the capacity of the representatives of the Sellers, pursuant to which the Company agreed to acquire 100.0% of the outstanding capital stock of Halo (the “Acquisition”). This Amendment No. 1 on Form 8-K/A is being filed for the purpose of filing the financial information required by 9.01(a) of Form 8-K and the pro forma financial information required by Item 9.01(b) of Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial statements of businesses acquired*

Attached hereto as Exhibit 99.1 and incorporated herein by reference are the audited financial statements of Halo as of and for the years ended June 30, 2019 and June 30, 2018 and the notes related thereto and the related independent auditor’s report of Warren Averett, LLC. Attached hereto as Exhibit 99.2 and incorporated herein by reference are the unaudited interim financial statements of Halo as of and for the three months ended September 30, 2019 and September 30, 2018 and the notes related thereto.

(b) *Pro forma financial information*

Attached hereto as Exhibit 99.3 and incorporated herein by reference are the unaudited pro forma combined financial statements of Better Choice Company Inc. as of and for the nine months ended September 30, 2019 and for the twelve months ended December 31, 2018 and the related notes thereto.

(d) Exhibits

Exhibit No.	Description
99.1	Audited Financial Statements of Halo, Purely for Pets, Inc. as of and for the years ended June 30, 2019 and June 30, 2018.
99.2	Unaudited Interim Financial Statements of Halo, Purely for Pets, Inc. as of and for the Three Months Ended September 30, 2019 and September 30, 2018.
99.3	Unaudited Pro Forma Combined Financial Statements of Better Choice Company Inc. as of and for the nine months ended September 30, 2019 and for the twelve months ended December 31, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	Better Choice Company Inc.
Date: February 18, 2020	By: /s/ Werner von Pein
	Name: Werner von Pein
	Title: Chief Executive Officer

Exhibit 99.1

HALO, PURELY FOR PETS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

HALO, PURELY FOR PETS, INC.
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JUNE 30, 2019 AND 2018

Warren Averett
CPAs AND ADVISORS

400 North Ashley Drive, Suite 700
Tampa, FL 33602
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warrenaverett.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors Halo, Purely for Pets, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Halo, Purely for Pets, Inc. (the "Company"), which comprise the balance sheets as of June 30, 2019 and 2018 and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Tampa, Florida
August 21, 2019

HALO, PURELY FOR PETS, INC.
BALANCE SHEETS
JUNE 30, 2019 AND 2018

ASSETS

CURRENT ASSETS	**2019**	**2018**
Cash	$ 2,364,436	$ 1,226,489
Accounts receivable, net of allowances of approximately $100,000 and $141,000 as of June 30, 2019 and 2018, respectively	4,152,779	4,440,387
Inventories	3,194,880	7,065,994
Prepaids and other current assets	349,491	487,791
Total current assets	10,061,586	13,220,661
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	372,962	650,660
OTHER ASSETS		
Goodwill	4,730,655	4,730,655
Other	14,650	13,200
Total other assets	4,745,305	4,743,855
	$ 15,179,853	$ 18,615,176
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 2,529,480	$ 3,757,667
Accrued expenses	417,199	618,611
Accrued payroll liabilities	520,125	196,025
Total current liabilities	3,466,804	4,572,303
LONG-TERM LIABILITIES		
Due to related party	60,391	146,898
Loan payable, net of issuance costs	3,829,521	5,247,316
Total long-term liabilities	3,889,912	5,394,214
STOCKHOLDERS' EQUITY		
Preferred Stock; no par value; 110 shares authorized:		
Series A-1; 36.67 shares issued and outstanding at June 30, 2019	-	-
Series A; 73.33 shares issued and outstanding at June 30, 2019 and 2018	-	-
Common Stock; no par value; 10,000 shares authorized;		
890 and 100 shares issued and outstanding at June 30, 2019 and 2018, respectively	-	-
Additional paid-in capital - Series A-1 Preferred Stock, net of issuance costs	2,403,125	-
Additional paid-in capital - Series A Preferred Stock	5,000,000	5,000,000
Additional paid-in capital - Common Stock	57,141,157	57,141,157
Accumulated deficit	(56,721,145)	(53,492,498)
Total stockholders' equity	7,823,137	8,648,659
	$ 15,179,853	$ 18,615,176

See notes to the financial statements.

HALO, PURELY FOR PETS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
SALES	$ 31,106,144	$ 38,359,679
COST OF SALES	20,532,995	24,322,252
GROSS PROFIT	10,573,149	14,037,427
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	13,378,974	20,297,838
LOSS ON DISPOSAL OF EQUIPMENT	73,975	25,929
LOSS FROM OPERATIONS	(2,879,800)	(6,286,341)
OTHER (EXPENSE) INCOME		
Interest expense, related party	-	(2,106,059)
Interest expense, other	(348,997)	(278,406)
Interest income	150	1,167
Total other expense	(348,847)	(2,383,298)
NET LOSS	$ (3,228,647)	$ (8,669,639)

See notes to the financial statements.

HALO, PURELY FOR PETS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	Common Stock		Series A-1 Preferred Stock		Series A Preferred Stock		Additional Paid-In Capital				
							Series A-1	Series A			
	Shares	Amount	Shares	Amount	Shares	Amount	Preferred Stock	Preferred Stock	Common Stock	Accumulated Deficit	Total
BALANCE, JUNE 30, 2017	100	$ -	-	$ -	-	$ -	$ -	$ -	$ 13,511,905	$ (44,822,859)	$ (31,310,954)
Issuance of preferred stock					73.33			5,000,000			5,000,000
Conversion of debt to common stock	790								43,629,252		43,629,252
Net loss										(8,669,639)	(8,669,639)
BALANCE, JUNE 30, 2018	890	-	-	-	73.33	-	-	5,000,000	57,141,157	(53,492,498)	8,648,659
Issuance of preferred stock, net of stock issuance costs			36.67				2,403,125				2,403,125
Net loss										(3,228,647)	(3,228,647)
BALANCE, JUNE 30, 2019	890	$ -	36.67	$ -	73.33	$ -	$ 2,403,125	$ 5,000,000	$ 57,141,157	$ (56,721,145)	$ 7,823,137

See notes to the financial statements.

HALO, PURELY FOR PETS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

CASH FLOWS FROM OPERATING ACTIVITIES	**2019**	**2018**
Net loss	$ (3,228,647)	$ (8,669,639)
Adjustments to reconcile net loss to net cash		
provided by (used in) operating activities:		
Depreciation and amortization	391,557	250,351
Loss on disposal of equipment	73,975	25,929
(Increase) decrease in:		
Accounts receivable	287,608	(2,278,355)
Inventories	3,871,114	(4,995,647)
Prepaids and other assets	136,848	(60,070)
Increase (decrease) in:		
Accounts payable	(1,228,365)	1,044,126
Accrued expenses	122,688	1,319,214
Total adjustments	3,655,425	(4,694,452)
Net cash provided by (used in) operating activities	426,778	(13,364,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(147,654)	(421,886)
Net cash used in investing activities	(147,654)	(421,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related party	(86,507)	-
Proceeds from loan	9,178,065	7,863,165
Loan payments	(10,635,860)	(3,503,349)
Stock issuance costs	(96,875)	(112,500)
Proceeds from issuance of Series A-1 Preferred Stock	2,500,000	5,000,000
Net cash provided by financing activities	858,823	9,247,316
NET INCREASE (DECREASE) IN CASH	1,137,947	(4,538,661)
CASH AT BEGINNING OF YEAR	1,226,489	5,765,150
CASH AT END OF YEAR	$ 2,364,436	$ 1,226,489

SUPPLEMENTAL DISCLOSURES OF NON CASH
INVESTING AND FINANCING ACTIVITIES

The Company paid $348,997 and $278,406 in interest on the revolving line of credit during the years ended June 30, 2019 and 2018, respectively.

During the year ended June 30, 2018, the Company reclassified accrued interest of $6,174,385 to principal on the note payable to a related party. Additionally, the note payable and accrued interest to the related party in the amount of $43,629,252 were converted to 790 shares of no par common stock in December 2017.

See notes to the financial statements.

1. DESCRIPTION OF BUSINESS

Halo, Purely for Pets, Inc. (the "Company") was incorporated in the state of Delaware during June 2006. The Company is engaged in the production and distribution of holistic pet food, treats, and supplements derived from natural ingredients to distributors, retailers, and consumers throughout the United States of America, parts of Asia and Canada. The corporate headquarters is located in Tampa, Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Basis of Accounting

The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Management Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash
Cash is maintained at major financial institutions and, at times, balances may exceed federally insured limits of $250,000. The Company has never experienced any losses related to these balances. The Company's deposits in excess of federally insured limits at June 30, 2019 and 2018 approximated $2,592,000 and $1,347,000, respectively.

Accounts Receivable
Accounts receivable consist of receivables from the sale of products. The Company records a provision for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Company's prior collection experience, customer creditworthiness, and current economic trends. The Company also records an allowance against accounts receivable for potential sales returns. Consistent with industry practice, the Company maintains a return policy that allows certain customers to return products for either a credit against future receivables or a refund. The Company's estimate of the provision for returns is based on current trends of actual customer returns. Management believes that an allowance for doubtful accounts and sales returns of approximately $100,000 and $141,000 is considered adequate at June 30, 2019 and 2018, respectively. The Company determines receivables to be past due based on the payment terms of original invoices. Interest is not typically charged on past due receivables.

Inventories
Inventories are stated at the lower of cost, determined by the weighted average cost method (which approximates the first-in, first-out method), or net realizable value. The Company provides an allowance for loss as needed for inventories determined to be excessive or obsolete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated over the estimated useful lives of the assets, ranging generally from 2 to 5 years. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the statements of operations. For income tax purposes, the Company uses accelerated methods of depreciation for certain assets.

Long-Lived Assets

Long-lived assets that are subject to depreciation are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. During the years ended June 30, 2019 and 2018, the Company determined that its long-lived assets were not impaired.

Goodwill

Goodwill represents the excess purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of an acquired business. Goodwill is not amortized but is reviewed for possible impairments at least annually or more frequently upon the occurrence of an event or when circumstances indicate that goodwill may be impaired. Goodwill impairment is identified by comparing the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill within the reporting unit is less than its carrying value. During the years ended June 30, 2019 and 2018, the Company determined that its goodwill was not impaired.

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that included the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

Income Taxes

The Company follows Accounting Standards Codification Topic 740, *Income Taxes* ("ASC Topic 740"). This standard prescribes a recognition and measurement of tax positions to be taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Based on management's evaluation, there are no uncertain tax positions at June 30, 2019 or 2018.

Other Taxes

Amounts collected on behalf of and remitted to governmental authorities for sales taxes and other similar taxes are reported on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue

Revenue is recognized when product is shipped and title transfers to the customers, net of sales discounts. In 2019 and 2018, sales to 4 customers approximated 89% and 87% of total sales, respectively. Accounts receivable from these customers amounted to approximately $2,864,000 and $4,450,000 of total accounts receivable as of June 30, 2019 and 2018, respectively.

Shipping and Handling Costs

The Company records amounts billed to customers for shipping and handling costs as sales revenue. Costs incurred by the Company for shipping and handling are included in cost of sales.

Purchase Concentrations

Purchases of inventory for 2019 and 2018 from 2 major suppliers approximated 79% and 74% of total inventory purchases, respectively. Accounts payable to these suppliers totaled approximately $1,220,000 and $998,000 at June 30, 2019 and 2018, respectively.

Advertising Expenses

Advertising expenses are charged to operations as incurred. Advertising expenses for the years ended June 30, 2019 and 2018 amounted to approximately $5,088,000 and $10,526,000, respectively. These amounts represent primarily customer trade support (retailer advertising and merchandising).

Impact of Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The revenue guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted as of the original effective date. The ASU may be applied retrospectively to historical periods presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under ASU No. 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU No. 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 21, 2019, the date on which the financial statements were available to be issued.

3. INVENTORIES

Inventories consist of:

	2019	2018
Finished goods	$ 3,501,829	$ 6,689,275
Raw materials	285,574	825,220
	3,787,403	7,514,495
Less inventory reserve	(592,523)	(448,501)
	$ 3,194,880	$ 7,065,994

4. PROPERTY AND EQUIPMENT

Property and equipment consist of:

	2019	2018
Furniture and fixtures	$ 94,771	$ 94,771
Computer equipment	80,666	78,898
Computer software	430,563	430,563
Equipment	380,650	483,980
Assets not in service:		
Computer software	-	80,123
Equipment	-	1,768
	986,650	1,170,102
Less accumulated depreciation	(613,688)	(519,443)
	$ 372,962	$ 650,660

Depreciation expense amounted to approximately $352,000 and $250,000 for the years ended June 30, 2019 and 2018, respectively.

5. LOAN PAYABLE

On May 5, 2017, the Company entered into a loan and security agreement. The loan and security agreement provided for a revolving line of credit, not to exceed an aggregate principal amount of $5,000,000 limited to qualifying receivables and inventories, as defined, and granted a security interest in and lien upon all of the assets of the Company. On October 31, 2017, the Company amended the loan and security agreement to increase the maximum revolving facility amount to $12,000,000. The outstanding principal under the loan and security agreement accrues interest at prime rate plus 2% (7.50%) as of June 30, 2019. The loan and security agreement contains a financial covenant, which requires the Company to maintain minimum liquidity of $500,000. The Company was compliant with its financial covenant as of June 30, 2019 and 2018, respectively. The loan and security agreement is secured by substantially all assets of the Company, is guaranteed by the stockholder, and expires on May 5, 2021. As of June 30, 2019 and 2018, there was approximately $3,903,000 (less issuance costs of approximately $73,000) and $5,361,000 (less issuance costs of approximately $113,000) outstanding on the revolving line of credit, respectively.

6. RELATED PARTY TRANSACTIONS

The Company has advances due to a related party totaling approximately $60,000 and $147,000 at June 30, 2019 and 2018, respectively. These advances are unsecured and non-interest bearing, with no specific repayment terms. The Company has reflected these advances as long-term in the accompanying balance sheets as repayment is not expected until one year after the respective balance sheet dates.

The Company had a related party note payable with a principal member of the Company's parent with a balance of approximately $37,455,000 at June 30, 2017. Effective July 6, 2017, this note was amended to increase the principal balance to approximately $41,592,000, which represented the principal balance plus accrued interest as of that date and extended the maturity date to July 6, 2018. Interest expense related to this note amounted to $0 and approximately $2,106,000 for the years ended June 30, 2019 and 2018, respectively.

In December, 2017, the Company converted all of its $41,592,000 convertible subordinated note and accrued interest of $2,106,000 into approximately 790 shares of no-par common stock.

The terms and amounts of the note were not necessarily indicative of those that would have been incurred or agreed to had comparable transactions been entered into with independent parties.

7. RETIREMENT PLAN

The Company participates in a 401(k) plan (the "Plan"), which is available to all eligible employees. Employer contributions to the Plan are fixed and equal 3% of each qualified employee's eligible compensation. Total employer contributions to the Plan were approximately $72,000 and $69,000 for the years ended June 30, 2019 and 2018, respectively.

8. COMMITMENTS AND CONTINGENCIES

The Company rents office space under a non-cancelable operating lease. The lease agreement calls for initial monthly payments averaging approximately $4,657, excluding taxes and common area maintenance charges, and expires in 2023.

The following is a schedule by year of the future minimum rental payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year:

Year Ending June 30,		
2020	$	62,916
2021	$	55,882
2022	$	55,882
2023	$	32,958

Rent expense was approximately $80,000 and $68,000 for the years ended June 30, 2019 and 2018, respectively.

8. COMMITMENTS AND CONTINGENCIES – CONTINUED

Certain key employees are eligible to participate in bonus payments in the event of a sale of the Company, or the sale of all or substantially all of its assets, (the "Transaction") under Transaction Bonus Plans (the "Plans"). The Plans automatically terminate on the earlier of (i) the satisfaction by all parties of any obligations relating to a consummated Transaction, regardless of whether the Transaction results in the payment of any bonus to an eligible key employee, or October 31, 2019.

From time to time, the Company may be involved in various claims or litigation proceedings incidental to the ordinary course of business. In the opinion of management, the ultimate liability, if any, resulting from any such claims or litigation proceedings would not be material to the Company's financial position or results of operations.

9. INCOME TAXES

The provision for income taxes consists of:

	2019	2018
Deferred	$ (799,800)	$ 3,656,900
Change in valuation allowance	799,800	(3,656,900)
Total provision for income taxes	$ -	$ -

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

Deferred tax assets (liabilities):	2019	2018
Net operating loss carryforward	$ 14,513,986	$ 13,673,348
Goodwill	(1,003,396)	(925,749)
Property and equipment	(73,366)	(100,655)
Charitable contributions	64,793	114,854
Other	245,419	185,879
	13,747,437	12,947,677
Less valuation allowance	(13,747,437)	(12,947,677)
Total provision for income taxes	$ -	$ -

9. INCOME TAXES – CONTINUED

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As of June 30, 2019, and 2018, based upon the levels of historical taxable income and projections of future taxable income over which the deferred tax assets are deductible, the Company believes that it is more likely than not that it will not be able to realize the benefits of a majority of these deductible differences. Accordingly, a valuation allowance of $13,747,437 and $12,947,677 has been provided in the accompanying financial statements as of June 30, 2019 and 2018, respectively. The 2019 and 2018 net change in the valuation allowance related to deferred tax assets was an increase and a decrease of approximately $799,800 and $3,656,900, respectively, which was primarily related to the changes in the operating loss carryforwards for those years.

At June 30, 2019 and 2018, the Company has federal tax net operating loss carryforwards of approximately $58,928,000 and $55,515,000, respectively. Federal tax loss carryforwards of approximately $46,160,000 will expire beginning in the year 2026 unless utilized earlier.

On December 22, 2017 H.R. 1, the Tax Cuts and Jobs Act ("TCJA") was enacted, which, except for certain provisions is effective for tax years beginning on or after January 1st, 2018. The TCJA's primary change affecting the Company in a material way was a reduction in the maximum federal statutory corporate tax rate from 35% to 21% and elimination of the corporate alternative minimum tax. As a result, the 21% rate was used in calculating the deferred tax assets and liabilities as of June 30, 2019 and 2018. The effect on the company's income tax expense due to the rate reduction from 35% to 21% was $6,850,190 all of which was recognized in the third quarter of the year ending June 30, 2018. An adjustment to the company's valuation allowance was recorded in the third quarter of 2018 wholly offsetting the tax expense related to the effects of the rate change.

10. CUMULATIVE REDEEMABLE PREFERRED STOCK

The Company issued 36.67 shares of Series A-1 and 73.33 shares of Series A redeemable preferred stock with no par value for approximately $2,400,000 (net of issuance costs) and $5,000,000 in November 2018 and December 2017, respectively. The cumulative annual dividend rate of $15% per share (based on an original issue price per share equal to $68,184.92) shall be compounded annually and accrued for upon declaration of such dividends. At June 30, 2019 and 2018 no dividends were declared and the Company is under no obligation to pay such dividends.

The Corporation shall not declare, pay, or set aside any dividends on any other shares of capital stock unless the holders of the Series A-1 and Series A Preferred Stock then outstanding first receive payment in full in an amount equal to the stated value plus all accrued and unpaid dividends thereon to the date of redemption. The maximum amount the Company could be required to pay to redeem the shares is $1,373,716 as of June 30, 2019. Under the terms of the Series A and Series A-1 Preferred Stock the Company is not required to set aside funds for meeting preferred stock dividend requirements.

10. CUMULATIVE REDEEMABLE PREFERRED STOCK – CONTINUED

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A-1 Preferred Stock then outstanding shall be entitled to be paid out of the assets available for distribution to its stockholders, prior and in preference to any distribution of any of the assets of this Corporation to the holders of Series A Preferred Stock or Common Stock.

Consistent with those of Common Stock, the holders of Series A-1 Preferred Stock and Series A Preferred Stock are entitled to one vote for each share of Preferred Stock held at all meetings of stockholders.

Exhibit 99.2

HALO, PURELY FOR PETS, INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

HALO, PURELY FOR PETS, INC.
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FINANCIAL STATEMENTS

HALO, PURELY FOR PETS, INC.
BALANCE SHEETS
As of September 30, 2019 (unaudited) and June 30, 2019

	As of September 30, 2019 (Unaudited)	As of June 30, 2019
CURRENT ASSETS		
Cash	$ 1,611,147	$ 2,364,436
Accounts receivable, net of allowances of approximately $100,000 and $100,000 as of September 30, 2019 and June 30, 2019, respectively	4,640,257	4,152,779
Inventories	3,433,099	3,194,880
Prepaids and other current assets	461,008	349,491
Total current assets	10,145,511	10,061,586
Property and equipment, net of accumulated depreciation	314,071	372,962
Goodwill	4,730,655	4,730,655
Other	14,650	14,650
Total assets	$ 15,204,887	$ 15,179,853
CURRENT LIABILITIES		
Accounts payable	$ 1,900,140	$ 2,529,480
Accrued expenses	691,710	417,199
Accrued payroll liabilities	197,247	520,125
Total current liabilities	2,789,097	3,466,804
LONG-TERM LIABILITIES		
Due to related party	60,391	60,391
Loan payable, net of issuance costs	4,043,255	3,829,521
Total liabilities	6,892,743	7,356,716
STOCKHOLDERS' EQUITY		
Preferred Stock; no par value; 110 shares authorized:		
Series A-1; 36.67 shares issued and outstanding	-	-
Series A; 73.33 shares issued and outstanding Common stock; no par value; 10,000 shares authorized; 890 issued and outstanding	-	-
Additional paid-in capital - Series A-1 Preferred Stock, net of issuance costs	2,403,125	2,403,125
Additional paid-in capital - Series A Preferred Stock	5,000,000	5,000,000
Additional paid-in capital - Common Stock	57,141,157	57,141,157
Accumulated deficit	(56,232,138)	(56,721,145)
Total stockholders' equity	8,312,144	7,823,137
Total liabilities and stockholders' equity	$ 15,204,887	$ 15,179,853

See notes to the financial statements.

HALO, PURELY FOR PETS, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Unaudited)

	For the three months ended September 30,	
	2019	**2018**
SALES	$ 8,442,822	$ 7,607,605
COST OF SALES	5,128,392	4,686,922
GROSS PROFIT	3,314,430	2,920,683
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,751,162	3,594,401
LOSS ON DISPOSAL OF EQUIPMENT	-	10,290
INCOME (LOSS) FROM OPERATIONS	563,268	(684,008)
OTHER (EXPENSE) INCOME		
Interest expense, other	(74,299)	(101,554)
Interest income	38	38
Total other expense	(74,261)	(101,516)
NET INCOME (LOSS)	$ 489,007	$ (785,524)

See notes to the financial statements.

HALO, PURELY FOR PETS, INC. STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Unaudited)

	Common Stock		Series A-1 Preferred Stock		Series A Preferred Stock		Additional Paid-In Capital			Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Series A-1 Preferred Stock	Series A Preferred Stock	Common Stock	Deficit	Total
Balance, June 30, 2017	100	$ -	-	$ -	-	$ -	$ -	$ -	$ 13,511,905	$ (44,822,859)	$ (31,310,954)
Issuance of preferred stock	-	-	-	-	73.33	-	-	5,000,000	-	-	5,000,000
Conversion of debt to common stock	790	-	-	-	-	-	-	-	43,629,252	-	43,629,252
Net Loss	-	-	-	-	-	-	-	-	-	(8,669,639)	(8,669,639)
Balance, June 30, 2018	890	-	-	-	73.33	-	-	$ 5,000,000	$ 57,141,157	$ (53,492,498)	$ 8,648,659
Net Loss (Unaudited)	-	-	-	-	-	-	-	-	-	$ (785,524)	$ (785,524)
Balance, September 30, 2018 (Unaudited)	890	-	-	-	73.33	-	-	$ 5,000,000	$ 57,141,157	$ (54,278,022)	7,863,135
Issuance of preferred stock, net of stock issuance costs	-	-	36.67	-	-	-	2,403,125	-	-	-	2,403,125
Net Loss	-	-	-	-	-	-	-	-	-	(2,443,123)	(2,443,123)
Balance, June 30, 2019	890	-	36.67	-	73.33	-	$ 2,403,125	$ 5,000,000	$ 57,141,157	$ (56,721,145)	$ 7,823,137
Net Income (Unaudited)	-	-	-	-	-	-	-	-	-	489,007	489,007
Balance, September 30, 2019 (Unaudited)	890	-	36.67	-	73.33	-	$ 2,403,125	$ 5,000,000	$ 57,141,157	$ (56,232,138)	$ 8,312,144

See notes to the financial statements.

HALO, PURELY FOR PETS, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
Unaudited

	September 30, 2019	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$ 489,007	$ (785,524)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Depreciation & Amortization	61,386	84,266
Loss on disposal of equipment	-	10,290
(Increase) decrease in:		
Accounts receivable	(487,478)	(107,096)
Inventories	(238,220)	771,641
Prepaids and other assets	(101,517)	(31,364)
Increase (decrease) in:		
Accounts payable	(629,342)	(679,703)
Accrued expenses	(48,366)	(146,588)
Total adjustments	(1,443,537)	(98,554)
Net cash provided (used) by operating activities	(954,530)	(884,078)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,495)	(37,947)
Net cash used by investing activities	(2,495)	(37,947)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	-	384,958
Loan payments	203,736	-
Net cash provided by financing activities	203,736	384,958
NET INCREASE (DECREASE) IN CASH	(753,289)	(537,067)
CASH AT BEGINNING OF PERIOD	2,364,436	1,226,489
CASH AT END OF PERIOD	$ 1,611,147	$ 689,422

See notes to the financial statements.

1. DESCRIPTION OF BUSINESS

Halo, Purely for Pets, Inc. (the "Company") was incorporated in the state of Delaware during June 2006. The Company is engaged in the production and distribution of holistic pet food, treats, and supplements derived from natural ingredients to distributors, retailers, and consumers throughout the United States of America, parts of Asia and Canada. The corporate headquarters is located in Tampa, Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Management Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash
Cash is maintained at major financial institutions and, at times, balances may exceed federally insured limits of $250,000. The Company has never experienced any losses related to these balances. The Company's deposits in excess of federally insured limits at September 30, 2019 and June 30, 2019 approximated $1,518,000 and $2,592,000, respectively.

Accounts Receivable
Accounts receivable consist of receivables from the sale of products. The Company records a provision for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Company's prior collection experience, customer creditworthiness, and current economic trends. The Company also records an allowance against accounts receivable for potential sales returns. Consistent with industry practice, the Company maintains a return policy that allows certain customers to return products for either a credit against future receivables or a refund. The Company's estimate of the provision for returns is based on current trends of actual customer returns. Management believes that an allowance for doubtful accounts and sales returns of approximately $100,000 is considered adequate at both September 30, 2019 and June 30, 2019. The Company determines receivables to be past due based on the payment terms of original invoices. Interest is not typically charged on past due receivables.

Inventories
Inventories are stated at the lower of cost, determined by the weighted average cost method (which approximates the first-in, first-out method), or net realizable value. The Company provides an allowance for loss as needed for inventories determined to be excessive or obsolete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated over the estimated useful lives of the assets, ranging generally from 2 to 5 years. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the statements of operations. For income tax purposes, the Company uses accelerated methods of depreciation for certain assets.

Long-Lived Assets

Long-lived assets that are subject to depreciation are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. During the quarter ended September 30, 2019 and year ended June 30, 2019, the Company determined that its long-lived assets were not impaired.

Goodwill

Goodwill represents the excess purchase price and related costs over the value assigned to net tangible and identifiable intangible assets of an acquired business. Goodwill is not amortized but is reviewed for possible impairments at least annually or more frequently upon the occurrence of an event or when circumstances indicate that goodwill may be impaired. Goodwill impairment is identified by comparing the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill within the reporting unit is less than its carrying value. During the year ended June 30, 2019, the Company determined that its goodwill was not impaired.

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that included the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

Income Taxes

The Company follows Accounting Standards Codification Topic 740, *Income Taxes* (“ASC Topic 740”). This standard prescribes a recognition and measurement of tax positions to be taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Based on management’s evaluation, there are no uncertain tax positions at September 30, 2019 or June 30, 2019.

Other Taxes

Amounts collected on behalf of and remitted to governmental authorities for sales taxes and other similar taxes are reported on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue
Revenue is recognized when product is shipped and title transfers to the customers, net of sales discounts. For the three months ended September 30, 2019 and September 30, 2018, sales to four customers approximated 89% and 82% of total sales, respectively. Accounts receivable from these customers amounted to approximately $3,332,000 and $2,864,000 of total accounts receivable as of September 30, 2019 and June 30, 2019, respectively.

Shipping and Handling Costs
The Company records amounts billed to customers for shipping and handling costs as sales revenue. Costs incurred by the Company for shipping and handling are included in cost of sales.

Purchase Concentrations
Purchases of inventory for the quarter ended September 30, 2019 and year ended June 30, 2019 from two major suppliers approximated 74% and 79% of total inventory purchases, respectively. Accounts payable to these suppliers totaled approximately $1,182,000 and $1,220,000 at September 30, 2019 and June 30, 2019, respectively.

Advertising Expenses
Advertising expenses are charged to operations as incurred. Advertising expenses for the three months ended September 30, 2019 and September 30, 2018 amounted to approximately $1,216,000 and $1,051,000, respectively. These amounts represent primarily customer trade support (retailer advertising and merchandising).

Impact of Recently Issued Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The revenue guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted as of the original effective date. The ASU may be applied retrospectively to historical periods presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under ASU No. 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU No. 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 18, 2020, the date on which the financial statements were available to be issued. Refer to Note 10 – Subsequent Events for additional information.

3. INVENTORIES

Inventories consist of:

	(Unaudited) September 30, 2019	June 30, 2019
Finished goods	$ 3,555,653	$ 3,501,829
Raw materials	434,304	285,574
	3,989,957	3,787,403
Less inventory reserve	(556,858)	(592,523)
	$ 3,433,099	$ 3,194,880

4. PROPERTY AND EQUIPMENT

Property and equipment consist of:

	(Unaudited) September 30, 2019	June 30, 2019
Furniture and fixtures	$ 78,195	$ 94,771
Computer equipment	80,666	80,666
Computer software	430,563	430,563
Equipment	397,226	380,650
Assets not in service:		
Equipment	2,495	-
	989,145	986,650
Less accumulated depreciation	(675,074)	(613,688)
	$ 314,071	$ 372,962

Depreciation expense amounted to approximately $84,000 and $61,000 for the three months ended September 30, 2019 and 2018, respectively.

5. LOAN PAYABLE

On May 5, 2017, the Company entered into a loan and security agreement. The loan and security agreement provided for a revolving line of credit, not to exceed an aggregate principal amount of $5,000,000 limited to qualifying receivables and inventories (as defined therein). On October 31, 2017, the Company amended the loan and security agreement to increase the maximum revolving facility amount to $12,000,000. The outstanding principal under the loan and security agreement accrues interest at prime rate plus 2% (7.00%) as of September 30, 2019. The loan and security agreement contains a financial covenant, which requires the Company to maintain minimum liquidity of $500,000. The Company was compliant with its financial covenant as of September 30, 2019 and June 30, 2019. The loan and security agreement is secured by substantially all assets of the Company, is guaranteed by the stockholder, and expires on May 5, 2021. As of September 30, 2019 and June 30, 2019, there was approximately $4,107,000 (less issuance costs of approximately $63,000), and approximately $3,903,000 (less issuance costs of approximately $73,000) of indebtedness outstanding, respectively.

6. RELATED PARTY TRANSACTIONS

The Company has advances due to a related party totaling approximately $60,000 at September 30, 2019 and June 30, 2019, respectively. These advances are unsecured and non-interest bearing, with no specific repayment terms. The Company has reflected these advances as long-term in the accompanying balance sheets as repayment is not expected until one year after the respective balance sheet dates.

7. RETIREMENT PLAN

The Company participates in a 401(k) plan (the "Plan"), which is available to all eligible employees. Employer contributions to the Plan are fixed and equal 3% of each qualified employee's eligible compensation. Total employer contributions to the Plan were $14,000 and approximately $72,000 for the three month period ended September 30, 2019 and year ended June 30, 2019, respectively.

8. COMMITMENTS AND CONTINGENCIES

The Company rents office space under a non-cancelable operating lease. The lease agreement calls for initial monthly payments averaging approximately $4,657, excluding taxes and common area maintenance charges, and expires in 2023.

Rent expense was approximately $23,000 and $17,000 for the three months ended September 30, 2019, and 2018, respectively.

Certain key employees are eligible to participate in bonus payments in the event of a sale of the Company, or the sale of all or substantially all of its assets, (the "Transaction") under Transaction Bonus Plans (the "Plans"). The Plans automatically terminate on the earlier of (i) the satisfaction by all parties of any obligations relating to a consummated Transaction, regardless of whether the Transaction results in the payment of any bonus to an eligible key employee, or October 31, 2019.

From time to time, the Company may be involved in various claims or litigation proceedings incidental to the ordinary course of business. In the opinion of management, the ultimate liability, if any, resulting from any such claims or litigation proceedings would not be material to the Company's financial position or results of operations.

9. CUMULATIVE REDEEMABLE PREFERRED STOCK

The Company issued 36.67 shares of Series A-1 redeemable preferred stock and 73.33 shares of Series A redeemable preferred stock with no par value for approximately $2,400,000 (net of issuance costs) and $5,000,000 in November 2018 and December 2017, respectively. The cumulative annual dividend rate of 15% (based on an original issue price per share equal to $68,184.92) is compounded annually and accrued for upon declaration of such dividends. At September 30, 2019 and June 30, 2019 no dividends were declared and the Company is under no obligation to pay such dividends.

The Company shall not declare, pay, or set aside any dividends on any other shares of capital stock unless the holders of the Series A-1 redeemable preferred stock and Series A redeemable preferred stock then outstanding first receive payment in full in an amount equal to the stated value plus all accrued and unpaid dividends thereon to the date of redemption. The maximum amount the Company could be required to pay to redeem the shares is $2,217,466 and $1,373,716 as of September 30, 2019 and June 30, 2019, respectively. Under the terms of the Series A redeemable preferred stock and Series A-1 redeemable preferred stock the Company is not required to set aside funds for meeting preferred stock dividend requirements.

9. CUMULATIVE REDEEMABLE PREFERRED STOCK – CONTINUED

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Series A-1 redeemable preferred stock then outstanding shall be entitled to be paid out of the assets available for distribution to its stockholders, prior and in preference to any distribution of any of the assets of the Company to the holders of Series A redeemable preferred stock or common stock.

Consistent with those of the common stock, the holders of Series A-1 redeemable preferred stock and Series A redeemable preferred stock are entitled to one vote for each share of preferred stock held at all meetings of stockholders.

10. SUBSEQUENT EVENTS

On October 15, 2019, the Company (Thriving Paws, LLC, a Delaware limited liability company ("Thriving Paws"), HH-Halo LP, a Delaware limited partnership ("HH-Halo" and, together with Thriving Paws, the "Sellers") with HH-Halo, in the capacity of the representative of the Sellers) entered into a Stock Purchase Agreement ("the Agreement") with Better Choice Company Inc. (BTTR), a Delaware corporation (the "Buyer"). Pursuant to the terms and subject to the conditions of the Agreement, the Company agreed to sell one hundred percent (100%) of the issued and outstanding capital stock of Halo to the Buyer.

On December 18, 2019, Halo and the Sellers entered into an Amended and Restated Stock Purchase Agreement pursuant to which, among other things, a portion of the consideration for the Acquisition was paid to Werner von Pein, the chief executive officer of Halo.

Under the terms of the Amended Agreement, the Company completed the Acquisition on December 19, 2019, for approximately $39.4 million pending final valuation of non-cash components issued to the Sellers. The consideration was subject to customary adjustments for Halo's net working capital, cash, and indebtedness, and consisted of a combination of (i) cash consideration, (ii) a total of 2,134,390 shares of the Better Choice Company's common stock, par value $0.001 per share, and (iii) the value of the Seller Warrants. BTTR also (i) entered into a Subscription Agreement with the Sellers relating to the issuance of the common stock Consideration, (ii) issued convertible subordinated seller notes ("Seller Notes"), and (iii) issued Seller Warrants on December 19, 2019.

Exhibit 99.3

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial statements of Better Choice Company Inc. (the "Company") have been prepared to give effect to its December 2019 acquisition (the "Acquisition") of Halo, Purely For Pets, Inc. ("Halo") and the accompanying financing transactions more specifically described herein (the " Transactions").

On December 20, 2019, the Company completed the acquisition of Halo for $39.4 million pursuant to the terms of the Amended and Restated Stock Purchase Agreement , dated as of December 18, 2019 (the "Stock Purchase Agreement"), by and among the Company, Halo, Thriving Paws, LLC, a Delaware limited liability company ("Thriving Paws"), HH-Halo LP, a Delaware limited partnership ("HH-Halo" and, together with Thriving Paws, the "Sellers") and HH-Halo, in the capacity of the representatives of the Sellers. The Company paid cash in an amount equal to $15.9 million, issued 2,134,390 shares of common stock, par value $0.001 per share (the "Common Stock ") and $15 million of subordinated convertible debt to the Sellers (accompanied by 935,700 stock purchase warrants more specifically discussed herein), and repaid $4.3 million of Halo debt in exchange for 100% of the outstanding common stock of Halo. These pro forma financial statements reflect adjustments that, among other things, record historical Halo assets and liabilities at their estimated fair value.

The unaudited pro forma combined balance sheet as of September 30, 2019 gives effect to the Transactions as if they had occurred on September 30, 2019. The unaudited pro forma combined statements of operations and comprehensive loss give effect to the Transactions as if they had occurred on January 1, 2018. The historical financial information is adjusted to give pro forma effect to events that are (1) directly attributable to the Transactions, (2) factually supportable and (3) with respect to the statement of operations, expected to have a continuing impact on the results of the combined entity. The unaudited pro forma combined financial statements presented below are based on, and should be read together with, the historical financial statements and accompanying notes of Halo included in this Form 8-K, and the historical financial statements of the Company included in its Quarterly Report on Form 10-Q for the period ended September 30, 2019 and in its Current Report on Form 8-K/A dated May 6, 2019 and filed with the Securities and Exchange Commission on July 23, 2019.

The unaudited pro forma adjustments related to the Acquisition have been prepared using the acquisition method of accounting and are based on a preliminary purchase price allocation whereby the consideration exchanged to acquire Halo was allocated to the assets acquired and the liabilities assumed, based upon their estimated fair values. Actual adjustments will be based on analyses of fair values of identifiable tangible and intangible assets, deferred tax assets and liabilities and estimates of the useful lives of tangible and amortizable intangible assets, which will be completed after the Company obtains a final third-party valuation, performs its own assessments and reviews all available data. Differences between the preliminary and final purchase price allocations may have a material impact on the unaudited pro forma combined financials statements and the Company's future results of operations and financial position.

The unaudited pro forma combined financial statements do not reflect the realization of potential cost savings, or any related restructuring or integration costs that may result from the integration of the companies. Although the Company believes that certain cost savings may result from the Acquisition, there can be no assurance that these cost savings will be achieved.

The unaudited pro forma combined financial statements are based on estimates and assumptions, are presented for illustrative purposes only and are not necessarily indicative of the combined financial position or results of operations in future periods or the results that actually would have been realized if the Transactions had been completed as of the dates indicated.

Unaudited Pro Forma Combined Balance Sheet
As of September 30, 2019

(*Dollars in thousands*)

	Historical Better Choice	Historical Halo	Adjustments	Ref.	Combined Pro Forma
Assets					
Current Assets					
Cash and cash equivalents	$ 2,776	$ 1,611	$ (1,083)	A, C, D	$ 3,304
Restricted cash	6,225	-	(6,191)	B	34
Accounts receivable, net	269	4,640	-		4,909
Inventories, net	2,358	3,433	-		5,791
Prepaid expenses and other current assets	1,931	461	-		2,392
Total Current Assets	13,559	10,145	(7,274)		16,430
Property and equipment, net	114	314	-		428
Right-of-use asset, operating lease	879	-	-		879
Intangible assets, net	926	-	21,200	C	22,126
Goodwill	-	4,731	5,550	C	10,281
Other assets	1,717	15			1,732
Total Assets	$ 17,195	$ 15,205	$ 19,476		$ 51,876
Liabilities & Stockholders' Equity (Deficit)					
Current Liabilities					
Line of credit	$ 6,191	$ -	$ (6,191)	B	$ -
Note payable, current portion	-	-	19,549	D	19,549
Accounts payable	1,972	1,900	-		3,872
Due to related parties	34	-	-		34
Accrued liabilities	3,874	692	-		4,566
Accrued payroll liabilities	-	197	-		197
Deferred revenue	238	-	-		238
Operating lease liability, current portion	1,244	-	-		1,244
Warrant derivative liability	293	-	-		293
Total Current Liabilities	13,846	2,789	13,358		29,993
Operating lease liability	619	-	-		619
Related Party - L/T Liabilities	-	60	-		60
Loan payable, net of issuance costs	-	4,044	10,956	A	15,000
Total Liabilities	14,465	6,893	24,314		45,672
Redeemable Series E Convertible Preferred Stock, $0.001 par value, 2,900,000 shares authorized, 1,707,920 shares issued and outstanding at September 30, 2019	13,007	-	-		13,007
Stockholders' Equity (Deficit)					
Common Stock, $0.001 par value, 88,000,000 shares authorized as of September 30, 2019, 45,427,659 shares issued and outstanding at September 30, 2019	45	-	2	A	47
Stock Warrants	-	-	5,497	A, D	5,497
Additional paid-in capital	176,757	64,544	(60,662)	A, C, E	180,639
Accumulated deficit	(187,079)	(56,232)	50,325	C, E	(192,986)
Total Stockholders' Equity (Deficit)	(10,277)	8,312	(4,838)		(6,803)
Total Liabilities, Redeemable Preferred Stock and Stockholders' Equity (Deficit)	$ 17,195	$ 15,205	$ 19,476		$ 51,876

See accompanying notes to unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Statements of Operations and Comprehensive Loss
For the Twelve Months Ended December 31, 2018

(*Dollars in thousands*)

	Historical Better Choice	Historical Halo	Adjustments	Ref.	Combined Pro Forma
Net sales	$ 14,785	$ 36,583	$ -		$ 51,368
Cost of goods sold	7,489	23,189	-		30,678
Gross profit	7,296	13,394	-		20,690
Operating expenses:					
General and administrative	5,655	9,934	1,998	F	17,587
Share-based compensation	831	-	319	G	1,150
Sales and marketing	4,981	7,898	-		12,879
Customer service and warehousing	987	122	-		1,109
Loss on disposal of equipment	-	32	-		32
Total operating expenses	12,454	17,986	2,317		32,757
Loss from operations	(5,158)	(4,592)	(2,317)		(12,067)
Other (expense) income					
Interest expense	(868)	(414)	(10,008)	H, I, J, K	(11,290)
Total other (expense) income	(868)	(414)	(10,008)		(11,290)
Net and comprehensive loss	$ (6,026)	$ (5,006)	$ (12,325)		$ (23,357)
Earnings per share, basic and diluted	$ (0.52)				$ (1.71)
Weighted average shares, basic and diluted	11,524,076				13,658,466

See accompanying notes to unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Statements of Operations and Comprehensive Loss
For the Nine Months Ended September 30, 2019

(*Dollars in thousands*)

	Historical Better Choice	Historical Halo	Adjustments	Ref.	Combined Pro Forma
Net sales	$ 11,567	$ 24,323	$ -		$ 35,890
Cost of goods sold	7,178	16,028	-		23,206
Gross profit	4,389	8,295	-		12,684
Operating expenses:					
General and administrative	12,031	6,974	1,498	F	20,503
Share-based compensation	6,708	-	239	G	6,947
Sales and marketing	8,453	1,857	-		10,310
Customer service and warehousing	854	100	-		954
Loss on disposal of equipment	-	64	-		64
Total operating expenses	28,046	8,995	1,737		38,778
Loss from operations	(23,657)	(700)	(1,737)		(26,094)
Other (expense) income					
Interest expense	(165)	(224)	(3,097)	J, K	(3,486)
Loss on acquisitions	(147,376)	-	-		(147,376)
Change in fair value of warrant derivative liability	886	-	-		886
Total other (expense) income	(146,655)	(224)	(3,097)		(149,976)
Net and comprehensive loss	$ (170,312)	$ (924)	$ (4,834)		$ (176,070)
Preferred dividends	70	-	-		70
Net and comprehensive loss available to common stockholders	$ (170,382)	$ (924)	$ (4,834)		$ (176,140)
Earnings per Share, Basic & Diluted	$ (5.95)				$ (5.73)
Weighted average shares, basic and diluted	28,624,230				30,758,620

See accompanying notes to unaudited pro forma combined financial information.

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

1. Basis of presentation

The unaudited pro forma combined financial statements have been compiled from the underlying financial statements of the Company and Halo, each prepared in accordance with U.S. GAAP, and reflects the pro forma effects of the Acquisition using the acquisition method of accounting.

Under the acquisition method of accounting, the assets and liabilities of Halo will be recorded as of the transaction date, at their respective fair values, and combined with those of the Company. The reported combined financial condition and results of operations of the Company after completion of the transaction will reflect these fair values.

The process for estimating the fair values of identifiable intangible assets requires the use of significant estimates and assumptions, including estimating future cash flows and developing appropriate discount rates. The excess of the purchase price over the estimated fair value of identifiable assets and liabilities of Halo as of December 19, 2019, the effective date of the Acquisition, will be allocated to goodwill. Fair value is defined, in accordance with U.S. GAAP, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The preliminary purchase price allocations are subject to the Company finalizing its analysis of the fair value of Halo's assets and liabilities as of the effective date of the Acquisition and will be adjusted upon completion of the analysis including a third-party valuation. The use of different estimates could yield materially different results.

The unaudited pro forma combined financial statements also do not reflect Halo's adoption of ASC 606, Revenue Recognition, or ASC 842, Leases. As a private company, Halo was not yet required to adopt these standards.

Additionally, the unaudited pro forma combined balance sheet excludes the tax impacts associated with the assets acquired and liabilities assumed in theAcquisition as the Company has not completed a preliminary assessment of the tax attributes and as such does not have sufficient data to support adjustments as of the date of this filing. Once the tax impacts for the Acquisition have been completed, there could be a material change to the tax asset and liability balances which would cause a corresponding adjustment to goodwill.

2. Purchase price

The unaudited pro forma combined financial statements reflect the purchase price of $39.4 million for the outstanding shares of Halo. For purposes of this pro forma analysis, the purchase price for Halo has been allocated based on a preliminary estimate of the fair value of assets acquired and liabilities assumed.

3. Pro forma adjustments

The unaudited pro forma combined balance sheet as of September 30, 2019 includes the adjustments summarized below:

A. Purchase accounting for net assets of Halo – purchase price. To reflect the $39.4 million purchase price of Halo. The consideration paid by the Company included:

- cash of $15.9 million;
- the issuance of 2,134,390 shares of Common Stock to the Sellers (the market price for the Common Stock as of the close of the market on December 19, 2019 , the effective date of the Acquisition, equaled $1.82, resulting in a value of $3.9 million);
- the issuance by the Company of an aggregate principal amount of $15 million in subordinated convertible notes to the Sellers (the "Seller Notes");
- the issuance of 937,500 Seller Warrants with a valuation of $0.3 million, that are exercisable for 24 months following the date of the consummation of an IPO (as defined therein) at an exercise price of the greater of (x) $5.00 or (y) the IPO Price (as defined therein); and
- repayment of $4.3 million of Halo debt.

A portion of the $4.3 million Halo debt was incurred subsequent to September 30, 2019. As a result, the pro forma adjustment only reflects the repayment of the $4.1 million balance at September 30, 2019. (Additionally, at the settlement of the debt, the Company wrote off the remaining $0.1 million of deferred financing costs related to the Halo debt.)

The Seller Notes mature on June 30, 2023 (the "Maturity Date") and accrue interest at 10.00% per annum from December 19, 2019 until the Maturity Date, payable quarterly in arrears in kind on March 31, June 30, September 30 and December 31 of each year. The Seller Notes may be converted into shares of Common Stock at any time prior to the last Business Day immediately preceding the Maturity Date and shall be automatically converted into Common Stock upon an IPO (as defined in the Seller Notes). The conversion price shall be equal to the lower of (x) $4.00 per share or the IPO Price (as defined in the Seller Notes).

B. Paydown of Franklin Synergy Line of Credit. To reflect the payoff of the approximately $6.2 million credit facility in connection with the Acquisition and the accompanying financing transactions. This debt was settled with the Company's restricted cash balance.

C. Allocation of purchase price to net assets acquired

Approximately $8.3 million of the purchase price is allocable to the cost basis of the net assets of Halo acquired (which approximate fair value) with the remaining allocated as follows:

- *Trade Names* - $11.1 million, amortized over 20-year useful life
- *Customer Base* - $10.1 million, amortized over 7-year useful life
- *Payoff of Halo debt* - $4.3 million (only $4.1 was outstanding at September 30, 2019 offset by $0.1 deferred financing costs)
- *Goodwill* – $5.6 million

Additionally, this adjustment reflects approximately $5.8 million of legal fees and other costs that were paid at closing, which are recognized as an expense.

D. Issuance of debt in addition to the Seller Notes to fund the purchase the Acquisition. To reflect the incurrence of debt under a Loan Facilities Agreement that includes a $20.5 million term loan facility and $7.5 million revolving credit facility (together the "Loan Facilities"), entered into on the date of the closing of the Acquisition. The Company borrowed the full amount of the term loan facility and $5.0 million under the revolving credit facility. The cash proceeds under the borrowings described in the preceding sentence are net of approximately $0.5 million and $0.2 million of debt issuance costs, respectively. These costs will be recorded as deferred financing costs which is netted against the debt and amortized to interest expense over the one-year term of the Loan Facilities.

To induce the lender to enter into the Facilities Agreement, certain shareholders of the Company agreed to enter into a Continuing Guaranty (the "Shareholder Guaranty") guaranteeing the Company's obligations under the Facilities Agreement. As consideration for the Shareholder Guaranties, the Company agreed to issue common stock purchase warrants to the Shareholder Guarantors in an amount equal to 0.325 warrants for each dollar of debt under the Facilities Agreement guaranteed by such Shareholder Guarantor (the "Shareholder Guarantor Warrants"). The Shareholder Guarantor Warrants are exercisable for 24 months from the date of the consummation of an IPO (as defined therein) at an exercise price $1.82 per share. The value of the Shareholder Guarantor Warrants, $5.3 million, will be recorded as a deferred financing cost which is netted against the Loan Facilities and amortized to interest expense over the one-year term of the Loan Facilities.

E. Impact on Halo equity; issuance of Common Stock to Sellers. The balance of Halo's common stock (no par value), additional paid in capital ($64.5 million at September 30, 2019) and accumulated deficit ($56.2 million at September 30, 2019) has been reduced to zero as the Company acquired 100% of Halo and the Halo equity balances will not carry forward in the combined company. The issuance of 2,134,390 shares of Common Stock increased additional paid-in-capital by $3.7 million.

The unaudited pro forma combined statements of operations and comprehensive loss for the twelve month period ended December 31, 2018 and the nine month period ended September 30, 2019 include the adjustments summarized below:

F. Amortization expense – purchase accounting intangibles. To reflect the amortization of trade name and customer base intangible assets recorded as part of purchase accounting. Amortization expense relating to these intangible assets approximate $2.0 million and $1.5 million for the twelve months ended December 31, 2018 and the nine months ended September 30, 2019, respectively.

G. Stock options granted. To reflect the share-based compensation expense associated with stock options granted to five Halo employees in connection with the closing of the Acquisition. The share-based compensation expense for the options granted approximates $0.3 million and $0.2 million for the twelve months ended December 31, 2018 and the nine months ended September 30, 2019, respectively.

H. Amortization expense – Loan Facilities deferred financing costs. To reflect the amortization of deferred financing costs associated with the Loan Facilities entered into on the closing date. As the term of the term loan facility and the revolving credit facility are both less than 1 year, 100% of the financing costs relating to the term loan facility and the revolving credit facility of approximately $0.5 million and $0.2 million are recognized as interest expense in the twelve months ended December 31, 2018; none is recognized in the nine months ended September 30, 2019.

I. Amortization expense – Shareholder Guarantor Warrants. To reflect the amortization of the deferred financing costs represented by the fair value of the Shareholder Guarantor Warrants issued in connection with the Loan Facilities. As the term of the Loan Facilities is less than 1 year, 100% of the $5.3 million value of the Shareholder Guarantor Warrants is recognized as interest expense in the twelve months ended December 31, 2018; none is recognized in the nine months ended September 30, 2019.

J. Interest expense reduction. To reflect the reduction in interest expense associated with the repayment of the Halo debt on the closing date of the Acquisition described above offset by the write off of remaining deferred financing costs associated with the Halo debt. The interest expense reduction approximates $0.3 million and $0.2 million for the twelve months ended December 31, 2018 and the nine months ended September 30, 2019, respectively. Additionally, as a result of the Company settling its line of credit with Franklin Synergy Bank, interest expense is reduced by an additional $0.1 million for the nine months ended September 30, 2019. This line of credit was not incurred until May 6, 2019; accordingly, there is no reduction of interest for the twelve months ended December 31, 2018.

K. Interest expense – acquisition debt. To reflect the interest expense associated with the incurrence of the debt under the Loan Facilities and the Seller Notes. The interest expense associated with such debt approximates $4.5 million and $3.4 million for the twelve months ended December 31, 2018 and the nine months ended September 30, 2019, respectively.

4. **Costs of Halo Acquisition .** Halo and the Company will each incur one-time legal and transaction related expenses on the acquisition date. Therefore, these expenses are not included in the historical statements of operations and comprehensive loss and as such are not reflected in the unaudited pro forma financial statements.

5. **Subordinated Convertible Notes.** In anticipation of the closing of the Acquisition, on November 6, 2019, the Company issued two-year subordinated convertible notes (the "Convertible Notes") for total proceeds of $2.75 million to existing shareholders. In connection with the Convertible Notes, the purchasers were also issued warrants (the "Warrants") to purchase shares of Common Stock equal to 62.5 Warrants for each Note. Each Warrant entitles the holder thereof to purchase one share of Common Stock of the Company for a period of 24 months from the date of the consummation of a future IPO at an exercise price equal to the greater of (i) $5.00 per share or (ii) IPO Price (as defined therein) The Convertible Notes bear interest at 10.0% per annum from the date of issue, payable in kind. These Convertible Notes are not reflected in the unaudited pro forma financial statements.