

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 25, 2020

**Better Choice Company Inc.**

(Exact name of Registrant as Specified in its Charter)

Delaware  
(State or other Jurisdiction of Incorporation)

333-161943  
(Commission File Number)

26-2754069  
(IRS Employer Identification No.)

164 Douglas Rd E,  
Oldsmar, Florida  
(Address of Principal Executive Offices)

34677  
(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 240.13e-4(c))

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

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.

## Item 2.02. Results of Operations and Financial Condition

On June 25, 2020, Better Choice Company Inc., a Delaware corporation (the “Company”), announced its financial results for the quarter ended March 31, 2020. A copy of the press release is attached hereto as Exhibit 99.1.

## Item 7.01. Regulation FD Disclosure

On June 25, 2020, at 8:30 am EDT, the Company will host a conference call to discuss results for the three months ended March 31, 2020. Interested parties, including analysts, investors and the media, may listen live via the details below.

**Event:** Better Choice First Quarter 2020 Financial Results Conference Call  
**Date:** Thursday, June 25, 2020  
**Time:** 8:30 a.m. Eastern Time  
**Live Call:** +1-800-407-4018 (U.S. Toll-Free) or +1-201-689-8471 (International)  
**Webcast:** <https://ir.betterchoicecompany.com/>

The information in this Form 8-K shall not be deemed to be “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

## Cautionary Note Regarding Forward-Looking Statements

*This Current Report on Form 8-K contains statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Management’s projections and expectations are subject to a number of risks and uncertainties that could cause actual performance to differ materially from that predicted or implied. Forward-looking statements may be identified by the use of words such as “expect,” “anticipate,” “believe,” “estimate,” “potential,” “should” or similar words intended to identify information that is not historical in nature. Forward-looking statements contained herein include, among others, statements concerning management’s expectations about future events and the Company’s operating plans and performance, the effects of the COVID-19 outbreak, including levels of consumer, business and economic confidence generally, the regulatory environment, litigation, sales, and the expected benefits of acquisitions, and such statements are based on the current beliefs and expectations of the Company’s management, as applicable, and are subject to known and unknown risks and uncertainties. There are a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. These statements speak only as of the date they are made, and the Company does not intend to update or otherwise revise the forward-looking information to reflect actual results of operations, changes in financial condition, changes in estimates, expectations or assumptions, changes in general economic or industry conditions or other circumstances arising and/or existing since the preparation of this Current Report on Form 8-K or to reflect the occurrence of any unanticipated events. For further information regarding the risks associated with the Company’s business, please refer to the Company’s filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the most recent fiscal year end, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.*

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

Exhibits	Description
<a href="#">99.1</a>	Press Release., dated June 25, 2020

**SIGNATURE**

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.**

By: /s/ Werner von Pein  
Name: Werner von Pein  
Title: Chief Executive Officer

June 25, 2020

**BETTER CHOICE**  
C O M P A N Y**Better Choice Company Reports First Quarter 2020 Financial Results, including \$12.3 million of Net Revenue**

**NEW YORK, NY, June 25, 2020**-- Better Choice Company, Inc. (OTCQB: BTTR) (the "Company" or "Better Choice"), an animal health and wellness company, today reported its financial results for the first quarter ended March 31, 2020.

"We are excited to share our first quarter 2020 results with the investor community. This marks our first full quarter post the acquisition of Halo in December 2019. Our integration plans and synergy platform are progressing seamlessly, and we have many exciting initiatives to look forward to for the remainder of 2020." said Werner von Pein, CEO of Better Choice.

"We continue to see strong growth trends in our E-Commerce and Direct-to-Consumer segments, which account for approximately two-thirds of our sales. In addition, our international segment continues to accelerate rapidly. We recently received Product Import Registrations for 15 Holistic Dog and Cat Food Diets from the Ministry of Agriculture and Rural Affairs of China. This will help us accelerate our growth in Asia by allowing us to sell through all relevant domestic distribution channels in mainland China and provide the pets of discerning Chinese pet owners the benefit of the super digestibility of real, whole protein and non-GMO vegetables. We continue to be encouraged by the strong growth rates and increases in pet ownership across Asia. The opportunity ahead is sizeable, and we are excited to be a first mover in a high-growth segment of the animal health sector."

**Operational Updates**

- Received Product Import Registrations for 15 Holistic Dog and Cat Food Diets from the Ministry of Agriculture and Rural Affairs of China
- Achieved operational cashflow positivity
- Launched partnership with iHeartMedia to provide support to animal shelters impacted by the ongoing COVID-19 pandemic

**Financial Results for the First Quarter 2020**

- 1Q20 net revenue of \$12.3 million reflects a ~250% increase over the comparable period in 1Q19. The majority of this increase is attributable to the Halo acquisition completed in December 2019
- GAAP net loss of (\$9.5 million)
- 1Q20 EBITDA of (\$6.7 million). Adjusting for \$5.1 million of non-cash share-based compensation and stock purchase warrants associated with a subsequently terminated contract, and a \$0.9 million non-cash effect of purchase accounting on cost of goods sold brings this figure close to breakeven, before any non-recurring and transaction related adjustments are made
- 1Q20 Adjusted EBITDA of \$0.3 million. In addition to the non-cash adjustments noted, this figure includes \$0.9 million of acquisition related expenses and synergies, and \$0.2 million of offering related expenses. For additional detail please refer to the Reconciliation of Net Loss to EBITDA and Adjusted EBITDA below
- On March 31, 2020, the Company had unrestricted cash and cash equivalents on the balance sheet of \$1.8 million.
- A reconciliation of Net Loss to EBITDA and Adjusted EBITDA is provided below for reference.

**Conference Call and Webcast Information**

The Company will host a conference call and audio webcast on Thursday, June 25<sup>th</sup> at 8:30 a.m. ET to answer questions about the Company's operational and financial highlights for the first quarter of 2020.

**Event:** Better Choice First Quarter 2020 Financial Results Conference Call  
**Date:** Thursday, June 25, 2020  
**Time:** 8:30 a.m. Eastern Time  
**Live Call:** +1-800-407-4018 (U.S. Toll-Free) or +1-201-689-8471 (International)  
**Webcast:** <https://ir.betterchoicecompany.com/>

For interested individuals unable to join the conference call, a dial-in replay of the call will be available until July 9, 2020 and can be accessed by dialing +1-844-512-2921 (U.S. Toll Free) or +1-412-317-6671 (International) and entering replay pin number: 13705668.

#### **Non-GAAP Measures**

Better Choice Company's adjusted EBITDA is determined by adding the following items to net and comprehensive loss: depreciation and amortization, interest expense, share-based compensation, realized transaction synergies, acquisition-related expenses, purchase accounting adjustments and equity and debt offering expenses.

We present adjusted EBITDA because it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. We also review adjusted EBITDA to compare our current operating results with corresponding periods and with the operating results of other companies in our industry. In addition, we utilize adjusted EBITDA as an assessment of our overall liquidity and our ability to meet our debt service obligations.

We believe that the disclosure of adjusted EBITDA is useful to investors as these non-GAAP measures form the basis of how our management team reviews and considers our operating results. By disclosing these non-GAAP measures, we believe that we create for investors a greater understanding of and an enhanced level of transparency into the means by which our management team operates our company. We also believe these measures can assist investors in comparing our performance to that of other companies on a consistent basis without regard to certain items that do not directly affect our ongoing operating performance or cash flows.

Adjusted EBITDA has limitations as a financial measure and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, you should consider adjusted EBITDA and adjusted EBITDA margin alongside other financial performance measures, including various cash flow metrics, net loss, gross margin, and our other GAAP results.

The following table presents a reconciliation of net loss, the closest GAAP financial measure, to EBITDA and adjusted EBITDA for each of the periods indicated.

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**Better Choice Company Inc.**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
**(Unaudited)**  
*(dollars in thousands except share and per share amounts)*

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Net sales	\$ 12,226	\$ 3,551
Cost of goods sold	8,069	1,661
Gross profit	<u>4,157</u>	<u>1,890</u>
Operating expenses:		
General and administrative	8,056	1,959
Share-based compensation	2,484	206
Sales and marketing	1,959	2,185
Customer service and warehousing	190	254
Total operating expenses	<u>12,689</u>	<u>4,604</u>
Loss from operations	(8,532)	(2,714)
Other expense:		
Interest expense, net	2,301	62
Change in fair value of warrant derivative liability	(1,379)	-
Total other expense	<u>922</u>	<u>62</u>
Net and comprehensive loss	(9,454)	(2,776)
Preferred dividends	34	-
Net and comprehensive loss available to common stockholders	<u>(9,488)</u>	<u>(2,776)</u>
Weighted average number of shares outstanding	48,526,396	11,674,127
Loss per share, basic and diluted	\$ (0.20)	\$ (0.24)

**Better Choice Company Inc.**  
**Reconciliation of Net Loss to EBITDA and Adjusted EBITDA**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	(dollars in thousands)	
Net loss	\$ (9,488)	\$ (2,776)
Depreciation and amortization	457	4
Interest expense, net	2,301	62
<b>EBITDA</b>	<b>(6,730)</b>	<b>(2,710)</b>
Non-cash share-based compensation and warrant expense <sup>(a)</sup>	5,078	206
Acquisition related expenses <sup>(b)</sup>	899	-
Non-cash effect of purchase accounting on cost of goods sold <sup>(c)</sup>	894	-
Offering relating expenses <sup>(d)</sup>	166	-
<b>Adjusted EBITDA</b>	<b>\$ 307</b>	<b>\$ (2,504)</b>
Adjusted EBITDA as a % of Net sales	2.5%	-70.5%

(a) Reflects non-cash expenses related to equity compensation awards and stock purchase warrants associated with a contract that was subsequently terminated. Share-based compensation is an important part of the Company's compensation strategy and without our equity compensation plans, it is probable that salaries and other compensation related costs would be higher.

(b) Reflects costs incurred related to acquisition and integration activities that will not recur and operating expenses that will not recur due to acquisition related synergies

(c) Reflects non-cash expense recognized in cost of goods sold related to the step-up of inventory required under the accounting rules for business combinations

(d) Reflects legal and advisory costs associated with the registration of previously issued common shares

**About Better Choice Company, Inc.**

Better Choice Company Inc. is a rapidly growing animal health and wellness company committed to leading the industry shift toward pet products and services that help dogs and cats live healthier, happier and longer lives. We take an alternative, nutrition-based approach to animal health relative to conventional dog and cat food offerings, and position our portfolio of brands to benefit from the mainstream trends of growing pet humanization and consumer focus on health and wellness. We have a demonstrated, multi-decade track record of success selling trusted animal health and wellness products, and leverage our established digital footprint to provide pet parents with the knowledge to make informed decisions about their pet's health. We sell the majority of our dog food, cat food and treats under the Halo and TruDog brands, which are focused, respectively, on providing sustainably sourced kibble and canned food derived from real whole meat, and minimally processed raw-diet dog food and treats. For more information, please visit <https://www.betterchoicecompany.com>.

**Forward Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. The Company has based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Some or all of the results anticipated by these forward-looking statements may not be achieved. Further information on the Company’s risk factors is contained in our filings with the SEC. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

**Company Contact:**

Better Choice Company, Inc.  
Werner von Pein, CEO

**Investor Contact:**

Red Chip Companies, Inc  
Dave Gentry  
407-491-4498  
[dave@redchip.com](mailto:dave@redchip.com)

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