

**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): November 13, 2023**

**Better Choice Company Inc.**  
(Exact name of Registrant as Specified in its Charter)

**Delaware**  
(State or other Jurisdiction  
of Incorporation)

**001-40477**  
(Commission  
File Number)

**83-4284557**  
(IRS Employer  
Identification No.)

**12400 Race Track Road**  
**Tampa, Florida 33626**  
(Address of Principal Executive Offices) (Zip Code)

(Registrant's Telephone Number, Including Area Code): **(212) 896-1254**

**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
Common Stock, \$0.001 par value share	BTTR	NYSE American

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 November 13, 2023, Better Choice Company Inc., a Delaware corporation (the "Company"), announced its financial results for the third quarter ended September 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 7.01 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
99.1	<a href="#">Press Release dated November 13, 2023</a>
104	Cover Page Interactive Data file (embedded within the Inline XBRL document)

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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.

November 13, 2023

Better Choice Company Inc.

By: /s/ Carolina Martinez  
Name: Carolina Martinez  
Title: Chief Financial Officer



## BETTER CHOICE COMPANY, INC. ANNOUNCES THIRD QUARTER 2023 RESULTS

*Third Quarter 2023 Revenue Grew 11% Year-Over-Year to \$13.1 million*  
*Adjusted EBITDA Growth of 95% Year-Over-Year*  
*EPS Growth of 77% Year-Over-Year*

**TAMPA, FLORIDA - November 13, 2023** - Better Choice Company, Inc. ("Better Choice" or the "Company") (NYSE American: BTTR), a pet health and wellness company, today announced its results for the third quarter ended September 30, 2023 ("Q3 2023").

### THIRD QUARTER 2023 FINANCIAL HIGHLIGHTS

- Revenue increased 24% from second quarter 2023, and 11% year-over-year ("YOY") to \$13.1 million
- Operating loss improved 59% YOY to \$(2.6) million
- Operating margin improved 3,403 basis points YOY to (-20%)
- Net loss improved 75% YOY to \$(1.6) million
- Earnings (loss) per share ("EPS") improved 77% YOY to \$(0.05)
- Adjusted EBITDA improved 95% YOY to \$(0.1) million<sup>1</sup>
- Adjusted EBITDA margin improved 2,311 basis points YOY to (-1%)<sup>1</sup>

### NINE MONTHS 2023 FINANCIAL HIGHLIGHTS

- Gross margin increased 429 basis points YOY to 34%
- Operating loss improved 42% YOY to \$(8.5) million
- Net loss improved 46% YOY to \$(8.1) million
- EPS improved 48% YOY to \$(0.26)
- Adjusted EBITDA improved 47% YOY to \$(3.8) million<sup>1</sup>
- Adjusted EBITDA margin improved 406 basis points YOY to (-11%)<sup>1</sup>

<sup>1</sup> *Adjusted EBITDA is a non-GAAP measure. Reconciliation of Adjusted EBITDA and to net income (loss), the most directly comparable GAAP financial measure, is set forth in the reconciliation table accompanying this release.*

<sup>2</sup> *Point-of-sale growth is a non-GAAP measure.*

### THIRD QUARTER 2023 OPERATIONAL UPDATE

Better Choice generated \$13.1 million in net sales over Q3 2023, with approximately 75% driven by its Halo Holistic<sup>®</sup> product line. Point-of-sale<sup>2</sup> growth and strength of digital presence drove 24% revenue growth from the second quarter of 2023. The Halo Holistic<sup>®</sup> plant-based vegan products continue to take share across the E-Commerce platform, with the highest organic traffic in the plant-based segment on Chewy. As projected, the Company secured continuity of dry kibble supply through a successful transition to its newest co-manufacturing partner, Alpha, Inc.

"The third quarter was highlighted by our organic digital growth," commented newly appointed CEO of Better Choice, Kent Cunningham. "The year-to-date gross margin improvement was fueled by strategic pricing initiatives, and a 3% YOY improvement of average equalized unit conversion and input costs in the first nine months of 2023. We are focused on keeping product quality and continuous improvement initiatives at the forefront to fuel our future growth trajectory. Our further continued focus on financial and operational discipline is reflected in the 95% Adjusted EBITDA growth during the quarter. We look to close out the remainder of 2023 with a solid footing to build digital momentum and enhanced brand awareness in 2024."

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 13,117	\$ 11,865	\$ 32,890	\$ 45,394
Cost of goods sold	8,681	7,700	21,625	31,795
Gross profit	4,436	4,165	11,265	13,599
<b>Operating expenses:</b>				
Selling, general and administrative	7,052	10,569	19,721	28,225

Total operating expenses	7,052	10,569	19,721	28,225
Loss from operations	(2,616)	(6,404)	(8,456)	(14,626)
<b>Other expenses:</b>				
Interest expense, net	(344)	(142)	(952)	(324)
Change in fair value of warrant liability	1,339	—	1,339	—
Total other expense, net	995	(142)	387	(324)
Net loss before income taxes	(1,621)	(6,546)	(8,069)	(14,950)
Income tax expense	—	1	—	4
Net loss available to common stockholders	<u>\$ (1,621)</u>	<u>\$ (6,547)</u>	<u>\$ (8,069)</u>	<u>\$ (14,954)</u>
Weighted average number of shares outstanding, basic	30,975,566	29,364,712	30,679,905	29,339,918
Weighted average number of shares outstanding, diluted	30,975,566	29,364,712	30,679,905	29,339,918
Net loss per share available to common stockholders, basic	<u>\$ (0.05)</u>	<u>\$ (0.22)</u>	<u>\$ (0.26)</u>	<u>\$ (0.51)</u>
Net loss per share available to common stockholders, diluted	<u>\$ (0.05)</u>	<u>\$ (0.22)</u>	<u>\$ (0.26)</u>	<u>\$ (0.51)</u>

**Better Choice Company Inc.**  
**Unaudited Condensed Consolidated Balance Sheets**  
*(Dollars in thousands, except share and per share amounts)*

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,800	\$ 3,173
Restricted cash	—	6,300
Accounts receivable, net	8,582	6,744
Inventories, net	7,541	10,257
Prepaid expenses and other current assets	992	1,051
Total Current Assets	<u>20,915</u>	<u>27,525</u>
Fixed assets, net	258	375
Right-of-use assets, operating leases	134	173
Intangible assets, net	8,914	10,059
Other assets	828	544
Total Assets	<u>\$ 31,049</u>	<u>\$ 38,676</u>
<b>Liabilities &amp; Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,807	\$ 2,932
Accrued and other liabilities	2,525	2,596
Line of credit	1,917	
Warrants liabilities	869	
Operating lease liability	56	52
Total Current Liabilities	<u>13,174</u>	<u>5,580</u>
<b>Non-current Liabilities</b>		
Line of credit, net	—	11,444
Term loan, net	2,714	
Operating lease liability	82	124
Total Non-current Liabilities	<u>2,796</u>	<u>11,568</u>
Total Liabilities	<u>15,970</u>	<u>17,148</u>
<b>Stockholders' Equity</b>		
Common Stock, \$0.001 par value, 200,000,000 shares authorized, 32,077,148 & 29,430,267 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	32	29
Additional paid-in capital	321,688	320,071
Accumulated deficit	(306,641)	(298,572)
Total Stockholders' Equity	<u>15,079</u>	<u>21,528</u>
Total Liabilities and Stockholders' Equity	<u>\$ 31,049</u>	<u>\$ 38,676</u>

**Better Choice Company Inc.**  
**Non-GAAP Measures**

**Adjusted EBITDA**

We define Adjusted EBITDA as EBITDA further adjusted to eliminate the impact of certain items that we do not consider indicative of our core operations. Adjusted EBITDA is determined by adding the following items to net (loss) income: interest expense, tax expense, depreciation and amortization, share-based compensation, loss on disposal of assets, strategic branding initiatives and product launch expenses, co-manufacturing partner transition, and other non-recurring expenses.

We present Adjusted EBITDA as 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 believe that the disclosure of Adjusted EBITDA is useful to investors as this non-GAAP measure forms the basis of how our management team reviews and considers our operating results. By disclosing this non-GAAP measure, 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 this measure 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 does not represent cash flows from operations as defined by GAAP. Adjusted EBITDA has limitations as a financial measure and you should not consider it in isolation, or as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net (loss) income, 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 (in thousands):

**Reconciliation of Net Loss to EBITDA and Adjusted EBITDA**  
(Dollars in thousands)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net loss available to common stockholders	\$ (1,621)	\$ (6,547)	\$ (8,069)	\$ (14,954)
Interest expense, net	344	142	952	324
Income tax expense	—	1	—	4
Depreciation and amortization	416	426	1,262	1,265
<b>EBITDA</b>	<b>(861)</b>	<b>(5,978)</b>	<b>(5,855)</b>	<b>(13,361)</b>
Non-cash share-based compensation (a)	473	562	1,618	2,454
Loss on disposal of assets	—	23	11	26
Strategic branding initiatives and product launches (b)	41	277	73	948
Co-manufacturing partner transition (c)	—	—	6	—
Other single occurrence expenses (d)	208	2,205	397	2,390
Launch expensed (e)	—	43	—	523
<b>Adjusted EBITDA</b>	<b>\$ (139)</b>	<b>\$ (2,868)</b>	<b>\$ (3,750)</b>	<b>\$ (7,020)</b>

(a) Non-cash expenses related to equity compensation awards. 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) Single occurrence expenses related to marketing agency and design, strategic re-branding initiatives, Elevate® launch, product innovation and reformulations.

(c) Single occurrence expenses related to the transition of our dry kibble co-manufacturing supplier.

(d) Single occurrence expenses related to legal settlements, employee severance, executive recruitment, and other non-recurring professional fees.

(e) Reflects non-recurring launch expenses related to the Elevate® launch.

#### About Better Choice Company Inc.

Better Choice Company Inc. is a pet health and wellness company focused on providing pet products and services that help dogs and cats live healthier, happier and longer lives. We offer a broad portfolio of pet health and wellness products for dogs and cats sold under our Halo brand across multiple forms, including kibble, canned food, freeze-dried raw food and treats, vegan dog food and treats, oral care products, toppers and other chews and supplements. We have a demonstrated, multi-decade track record of success and are well positioned to benefit from the mainstream trends of growing pet humanization and consumer focus on health and wellness. Halo's core products are made with high-quality, thoughtfully sourced ingredients for natural, science-based nutrition. Each innovative recipe is formulated with leading veterinary and nutrition experts to deliver optimal health. 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.  
Kent Cunningham, CEO

#### Investor Contact:

KCSA Strategic Communications  
Valter Pinto, Managing Director  
T: 212-896-1254  
[Valter@KCSA.com](mailto:Valter@KCSA.com)