



The Fresh Factory Successfully Completes US\$2.0 Million Sale-Leaseback Financing to Fuel Business Expansion

CAROL STREAM, IL / ACCESSWIRE / September 6, 2023 – The Fresh Factory B.C. Ltd. (CSE: FRSH) (FRA: Q4Z) (“**The Fresh Factory**” or the “**Company**”), a mission-driven company for fresh, clean-label, and better-for-you food and beverage brands, is pleased to announce the successful closure of a US\$2.0 million sale-leaseback financing (“**Leaseback**”), marking a significant milestone in the Company's growth trajectory. The financing, secured for a 24-month term with an additional 1-year extension option, provides The Fresh Factory with additional working capital to further scale its operations, innovate product offerings, and meet customer demand.

This financing not only bolsters the Company's operational capabilities but also replaces a previous financing of US\$0.5 million, streamlining its financial structure. The Company now stands strong with no outstanding debt.

"This \$2.0 million sale-leaseback financing is a significant step forward for The Fresh Factory. It not only provides us with the necessary working capital to accelerate our growth initiatives but also allows us to eliminate our existing debt entirely. This move underscores our dedication to maintaining a strong financial foundation as we expand our presence in the market," said Bill Besenhofer, Chief Executive Officer and co-founder of The Fresh Factory.

The funds secured through this financing will be strategically allocated to support The Fresh Factory's ongoing expansion plans and innovation efforts, ensuring that the Company continues to deliver high-quality products and services to its valued customers. Additionally, the capital allocated to the recently announced renewal of the share-buyback program reflects the Company's commitment to creating value for its shareholders and further underlines the Company's financial prudence.

"We are committed to not only meeting but exceeding our customer demands. This financing, combined with our ongoing investment in our active share-buyback program, serves as a testament to our ability to navigate capital allocation strategically while fostering sustainable growth. We are excited about the opportunities that lie ahead and are confident that these strategic initiatives will contribute to our long-term success," added Besenhofer.

About The Fresh Factory B.C. Ltd.

The Fresh Factory is a vertically integrated company focused on accelerating the growth of the fresh, clean-label, plant-based food and beverage brands of tomorrow. The Fresh Factory owns or partners with emerging brands in the plant-based space to develop, manufacture, and sell products made from fresh produce and recognizable ingredients. It operates from its centrally located manufacturing facility near

Chicago, serving customers across the US. As a public-benefits corporation, The Fresh Factory is ESG-focused, driven to make a lighter, greener impact on the environment and a stronger, positive impact on local communities and the food system as a whole. Learn more about The Fresh Factory at www.thefreshfactory.co and find The Fresh Factory on social media at [Instagram](#), [Twitter](#), and [LinkedIn](#). To receive news and updates about The Fresh Factory, visit their website at www.thefreshfactory.co.

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Non-IFRS Measures

There are measures included in this news release that do not have a standardized meaning under international financial reporting standards (IFRS) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use them as a means of assessing financial performance. Billed revenue, adjusted gross margin, operating profit, EBITDA, and adjusted EBITDA are financial measures that do not have a standardized meaning under IFRS. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA refers to earnings before interest, taxes, depreciation, amortization, stock-based compensation, one-time transaction expenses, costs related to scaling the business, and change in fair value of derivative liabilities. Adjusted gross margin is defined as billed revenue minus food, packaging, and labor (i.e., COGs). Operating profit is adjusted gross margin less utilities, facilities, and maintenance costs. Billed revenue is a financial measure defined as the revenue billed to customers as opposed to total revenue, which represents billed revenue less trade and variable selling and any production credits and samples.

We prepare and release quarterly unaudited and annual audited financial statements prepared in accordance with IFRS. We also disclose and discuss certain non-GAAP (Generally Accepted Accounting Principles) financial information used to evaluate our performance in this and other earnings releases and investor conference calls as a complement to results provided in accordance with IFRS. We believe that current shareholders and potential investors in the Company use non-GAAP financial measures, such as billed revenue, adjusted gross margin, operating profit, EBITDA, and adjusted EBITDA in making investment decisions about the Company and measuring its operational results.

Management believes that investors and financial analysts measure our business on the same basis, and we are providing the billed revenue, adjusted gross margin, operating profit, EBITDA, and adjusted EBITDA as financial metrics to assist in this evaluation and to provide a higher level of transparency into how we measure our own business.

Forward-Looking Statements

This news release contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements that address activities, events, or developments that the Company expects or anticipates will, or may, occur in the future, including statements about the Company's new product offerings, its ability to execute on its goals, general macro and micro economic impacts of inflation on the business and operation of the Company, the timing pertaining to these goals and receipt of applicable consents and approvals, and Company's business prospects, future trends, plans, and strategies. In some cases, forward-looking statements are preceded by, followed by, or include words such as "may", "will," "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "proposes", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", "anticipate" or the negative of those words or other similar or comparable words. Although the management of the Company believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Risks and uncertainties applicable to the Company, as well as trends identified by the Company affecting its industry, can be found in the final long-form prospectus of the Company dated November 10, 2021, and the Company's continuous disclosure record available on SEDAR+ at www.sedarplus.ca. Such cautionary statements qualify all forward-looking statements made in this news release. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.