



## Naturally Splendid Reports Second Quarter Results for 2021

Vancouver, British Columbia, August 31, 2021 - Naturally Splendid Enterprises Ltd. ("Naturally Splendid", "NSE" or "the Company") (FRANKFURT:50N) (TSX-V:NSP) (OTC:NSPDF) announces its unaudited financial results for the six months ended June 30, 2021. All amounts are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

Company CEO Mr. J. Craig Goodwin reports, "The Company continues to execute on our strategic plan developing, manufacturing and distributing plant-based, meat alternative entrees as well as plant-based health and wellness products. We have made significant progress focusing on our NATERA™ Plant Based Foods in particular. In this regard, I am pleased to report that we have achieved several significant milestones including securing a ten (10) year exclusive manufacturing and distribution agreement with Australia's largest plant-based food manufacturer and a Canada-wide launch of selected NATERA™ plant-based entrees with Denny's Restaurants.

The move to manufacturing NATERA™ Plant Based Foods in Canada has many advantages. Most notably a significant reduction in cost of goods produced, thus creating additional food service and retail opportunities, as well as increased margins. We will leverage our existing Safe Quality Food (SQF) certified manufacturing facility to produce these popular and delicious plant-based appetizers and entrees here in BC..

Utilizing our existing manufacturing facility by adding additional production lines in has many advantages inherently built in. Advantages includes greatly reduced capital costs building out a manufacturing facility when compared to building out a completely new facility. Having an experienced production team, familiar with advanced SOPs related in part to certifications such as Safe Quality Food (SQF), also brings many advantages and built in efficiencies.

We are thrilled to launch selected NATERA™ plant-based products with the iconic Denny's Restaurant brand across Canada, as well as Bar One restaurants in Western Canada. The acceptance of our NATERA™ products in such a recognizable restaurant as Denny's is validation of the popularity of our plant-based entrees.

The Company has chosen to reduce its contract manufacturing clientele for bars and bites, which in the short term has affected gross sales, in order to focus on growing the NATERA™ Plant Based Foods line. Instead, the Company has put more emphasis on producing our own Company Brands that have greater margins, including NATERA™ Plant based Foods."

### **Q2 Operational Highlights**

#### **10 Year Exclusive Manufacturing and Distributing Agreement With Australia's Largest Plant-Based Manufacturer**

Naturally Splendid has already begun the process of retrofitting its existing Safe Quality Food (SQF) Certified food manufacturing facility. This facility will manufacture a wide range of plant-based

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alternatives for beef, chicken, pork, fish and shellfish under the guidance of Flexitarian Foods.

### **NATERA™ Plant-Based Entrees Launched at Denny's Restaurants across Canada**

Following this past summer's menu test of NATERA™ products at five (5) Denny's Restaurants in B.C., guests can look forward to enjoying NATERA™ Seasoned Chick-Un Tenders and NATERA™ Chick-Un Nuggets at seventy-one (71) Denny's across Canada starting later this fall. Naturally Splendid is also excited to announce that Bar One, a restaurant under the Denny's Canada brand, will be offering these same NATERA™ plant-based, meat-alternative entrees at all thirteen (13) locations in B.C. and Alberta.

### **Expanding Distribution Network**

A comprehensive distribution network that covers Canada coast to coast has been established. Distributors include CANEX Foods, Sysco, Gordon Food Service, Intercity Packers Meat and Seafood, Georgia Main Food Group, and others. Distributors have been selected for market coverage in retail and food service as well as in regard to geographical coverage.

### **Naturally Splendid Purchases Packaging Line**

Purchase of a state of the art, automated system capable of packaging a wide variety of food products in multiple formats. This packaging system was selected for the array of products and packaging types it is designed to process and will be an integral component to packaging NATERA™ Plant Based Foods. This enhanced capability provides the ability to take an already extensive line of products, and through additional packaging options, increase the range of finished goods for retail and food service distribution opportunities.

### **Cavaltinib™ - Health Canada Approved Clinical Trial for COVID-19 Treatment**

The clinical trial will be run through Plasm Pharmaceutical, a Joint Venture with Biologic Pharmamedical and Naturally Splendid. Cavaltinib™ has been identified by Health Canada as a drug candidate for the treatment of COVID-19.

Cavaltinib™ is the result of over 15 years of research and development that has led to published medical findings and patented technology.

Despite the vaccine successes, infection rates are still on the rise in many regions demonstrating the pandemic is not yet over. Reports indicate the health risk, due in large part to the escalation of variants, is still considered a high alert problem. Treatment options such as Cavaltinib™ will be required as the COVID-19 virus evolves through its inevitable mutations.

### **Containers of Hemp for South Korea**

Naturally Splendid was one of the early movers in the hemp opportunity in South Korea, going back as far as 2016. The relationships forged at that time are paying dividends now with increased orders for hulled hemp seed. These established relationships provide an opportunity to present additional plant-based products for their consideration as well.

### Q2 2021 financial overview:

Naturally Splendid recorded a net loss and comprehensive loss of \$1,750,988 for the six months ended June 30, 2021, compared to a net loss of \$2,428,944 during the six months ended June 30, 2020. The

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decrease in net loss and comprehensive loss was attributed to the decrease in selling and distribution expenses. Gross profit margins increased by 5% of sales in the six months ended June 30, 2021, compared to the six months ended June 30, 2020, this is predominately due to the increased profit margins in the new plant-based sales. The Company's sales decreased by approximately \$556,000 from the comparative period. During the six-month period ended June 30, 2021, selling and distribution expense decreased by approximately \$426,000 largely due to decreased in production (facility costs, quality assurance and lab testing) and production wages which were offset by the government wage subsidy received during the quarter. Administrative expenses decreased by approximately \$294,000 predominantly from office, rent and salaries and corporate promotions. The decrease was attributed to a reduction in investor relations activity due to the pandemic and the reduction of corporate salaries from the government wage subsidy.

Naturally Splendid recorded sales of \$470,039 during the six months ended June 30, 2021, compared to \$1,025,636 in for six months ended June 30, 2020. The Company's sales decreased by approximately \$556,000 from the comparative period. The Company had decreased sales in its private label bars and bites business by approximately \$527,000 and other branded products decreased by approximately \$41,000. Branded hemp products decreased by approximately \$27,000 and its new Natera Sport products decreased by approximately \$64,000. The Company's new Plant-based products had sales of approximately \$74,000 during the quarter ended June 30, 2021. During the six months period ended June 30, 2021, the new Plant-based product sales were approximately \$103,000.

Cost of Sales during the six months ended June 30, 2021 and 2020 were \$394,812 and \$913,074 respectively. The Company gross margin percentage is 16% of sales, during the six months ended June 30, 2021.

The Company continued its sales mix with exports of bulk seed and launching its new plant-based products. The bulk hemp seeds sold at a lower gross margin percentage then compared to the plant-based products and private label sales. The Company is now focused on its higher margin products and new commercial opportunities. Gross profits for the six months ended June 30, 2021, was \$75,227 (16% of sales) compared to \$112,562 (11% of sales) for six months ended June 30, 2020. The best market opportunities for NSE have been both domestic and new international destinations along with Prosnack Natural Foods Inc. private label products.

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2020
	\$	\$	\$	\$
<b>Statements of Loss Data</b>				
Revenue	216,661	305,381	470,039	1,025,636
Cost of sales	173,225	319,448	394,812	913,074
Gross Profit	43,436	(14,067)	75,227	112,562
Selling and distribution expenses	(288,502)	(251,057)	(428,668)	(855,478)
Administrative expenses	(756,132)	(848,279)	(1,403,685)	(1,697,707)

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Other income(loss) and taxes	(1,007,352)	(1,108,183)	(1,750,988)	(2,428,944)
Net income (loss)	(1,007,352)	(1,108,183)	(1,750,988)	(2,428,944)
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Basic and Diluted Earnings (Loss) Per Share	(0.00)	(0.01)	(0.01)	(0.02)

Company Co-founder and CFO Mr. Bryan Carson states, “Naturally Splendid continues to focus on plant-based initiatives. Whether we are developing our NATERA™ Plant Based Foods business, or manufacturing bars and bites formulated for the sports and active lifestyle market, advancing the science of Cavaltinib™, for a phase 2 clinical trial for a COVID treatment, or exporting bulk hemp to South Korea, one thing we can assure you is that plant-based is at the forefront of these activities. Although these opportunities may appear to be diverse on the surface, the common denominator amongst these opportunities is that they are all rooted in our plant-based strategy. Our plant-based products are better for you and better for the planet. This is our strategy to building shareholder value”.

Management's discussion and analysis for the period and the accompanying financial statements and notes are available under the company's profile on SEDAR.

#### **About Naturally Splendid Enterprises Ltd.**

Founded in 2010, NSE operates a Safe Quality Food Level 2 certified food manufacturing facility just outside Vancouver, BC in Canada. The Company has established numerous healthy, functional foods under recognized brands such as Natera Sport™, Natera Hemp Foods, CHII, Elevate Me™ and Woods Wild Bar™, and most recently Natera Plant Based Foods, a line of delicious plant-based meat alternatives for the rapidly growing plant-based market segment. The Company has a myriad of new products and line extensions under development that are approaching launch. NSE, through its joint venture Plasm Pharmaceutical, has been approved for conducting a phase 2 clinical trial approved by Health Canada for treatment of COVID-19. NSE has also developed proprietary technologies for the extraction of high-demand, healthy omega 3 and 6 oils from hemp.

NSE contract manufacturers for healthy, functional food products and ingredients focusing on plant-based ingredients. The Company provides contract manufacturing services for many healthy food companies, private labeling a wide variety of nutritional food products destined for global healthy food markets.

For more information e-mail [info@naturallysplendid.com](mailto:info@naturallysplendid.com) or call Investor Relations at 604-465-0548 (ext. 105)

On Behalf of the Board of Directors

Mr. J. Craig Goodwin CEO, Director

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### **Forward-Looking Statements**

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Naturally Splendid cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Naturally Splendid's control including, Naturally Splendid's ability to compete with large food and beverage companies; sales of any potential products developed will be profitable; sales of shelled hemp seed will continue at existing rates or increase; the ability to complete the sales of all bulk hemp seed purchase orders; and the risk that any of the potential applications may not receive all required regulatory or legal approval. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Naturally Splendid undertakes no obligation to publicly update or revise forward-looking information

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