

TOFUTTI ANNOUNCES RESULTS FOR FISCAL YEAR ENDED JANUARY 1, 2022

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Cranford, New Jersey, April 01, 2022 (GLOBE NEWSWIRE) -- TOFUTTI BRANDS INC. (OTCQX Symbol: TOFB) issued its results for the fiscal year ended January 1, 2022 today.

Tofutti Brands reported net sales for the fiscal year ended January 1, 2022 of \$12,590,000, a decrease of \$1,225,000 or 9%, from net sales of \$13,815,000 for the fiscal year ended January 2, 2021. Sales of vegan cheese products decreased to \$10,761,000 in the fiscal year ended January 1, 2022 from \$11,669,000 in the fiscal year ended January 2, 2021. Sales of our frozen dessert and frozen food product lines decreased to \$1,829,000 in the fiscal year ended January 1, 2022 from \$2,146,000 in the fiscal year ended January 2, 2021. Overall, our sales were negatively impacted by the discontinuance of several frozen desserts and cheese products during the fiscal year ended January 1, 2022 and various COVID-19 issues affecting our product distribution.

The Company's gross profit for the year ended January 1, 2022 decreased by \$911,000 to \$3,342,000 from \$4,253,000 for the fiscal year ended January 2, 2021. Our gross profit percentage for the fiscal year ended January 1, 2022 was 27% compared to 31% for the fiscal year ended January 2, 2021. The dollar decline in gross profit was due principally to the decline in total sales accompanied by increases in ingredient and packaging costs.

The Company had net income of \$143,000, or \$0.03 per share (basic and diluted), for the fiscal year ended January 1, 2022, compared to net income of \$596,000, or \$0.12 (basic) and \$0.11 (diluted) per share, for the fiscal year ended January 2, 2021.

As of January 1, 2022, the Company had approximately \$1,698,000 in cash and our working capital was approximately \$4,326,000, compared with approximately \$1,459,000 in cash and working capital of \$4,639,000 at January 2, 2021. The increase in cash during the year ended January 1, 2021 was due to the \$689,000 provided by operating activities, which benefitted from improved accounts receivable collection, and increased further due to reduced inventory, and \$50,000 provided by investing activities, offset by \$500,000 used in repaying an outstanding convertible note.

Mr. Steven Kass, Chief Executive and Financial Officer of the Company stated, "We are pleased with our continued success in generating cash from operations which has resulted in our strong cash and working capital position at January 1, 2022. We believe that the production difficulties that impacted our revenues in 2021 have been resolved and that we are poised to achieve improved revenues in the coming years," concluded Mr. Kass.

About Tofutti Brands Inc. Founded in 1981, Tofutti Brands Inc. develops and distributes a complete line of plant-based products. The Company sells more than twenty-five (25) dairy-free foods including cheese products and frozen desserts. Tofutti Brands Inc. is a proven innovator in the food industry and has developed a full line of delicious and healthy dairy-free foods. Available throughout the United States and in more than fifteen (15) countries, Tofutti Brands answers the call of millions of people who are allergic or intolerant to dairy or wish to maintain a kosher or vegan diet. Tofutti’s product line includes plant-based ice cream pints, cones, Tofutti Cutie® sandwiches and novelty

Forward-Looking Statements. Some of the statements in this press release concerning the Company’s future prospects are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Actual results may vary significantly based upon a number of factors including, but not limited to the impact of COVID-19 on the economy and our operations, business conditions both domestic and international, competition, changes in product mix or distribution channels, resource constraints encountered in promoting and developing new products and other risk factors detailed in the Company’s filings with the Securities and Exchange Commission, including its annual report on Form 10-K.

TOFUTTI BRANDS, INC.
Statements of Income
(in thousands, except per share figures)

| | Fiscal year ended January 1, 2022 | Fiscal year ended January 2, 2021 |
|---------------------------|--|--|
| Net sales | \$ 12,590 | \$ 13,815 |
| Cost of sales | 9,248 | 9,562 |
| Gross profit | 3,342 | 4,253 |
| Operating expenses: | | |
| Selling and warehousing | 1,206 | 1,187 |
| Marketing | 281 | 258 |
| Product development costs | 124 | 240 |

| | | |
|---|---------|---------|
| General and administrative | 1,489 | 1,692 |
| Total operating expenses | 3,100 | 3,377 |
| Income before interest expense and income taxes | 242 | 876 |
| Interest expense | 25 | 25 |
| Income before provision for income taxes | 217 | 851 |
| Provision for income taxes | 74 | 255 |
| Net income | \$ 143 | \$ 596 |
| Weighted average common shares outstanding: | | |
| Basic | 5,154 | 5,154 |
| Diluted | 5,154 | 5,456 |
| Net income per common share: | | |
| Basic | \$ 0.03 | \$ 0.12 |
| Diluted | \$ 0.03 | \$ 0.11 |

TOFUTTI BRANDS INC.
Balance Sheets
(in thousands, except share and per share figures)

| | January 1, 2022 | January 2, 2021 |
|-----------------|--------------------|--------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 1,698 | \$ 1,459 |

| | | |
|---|----------|----------|
| Accounts receivable, net of allowance for doubtful accounts and sales promotions of \$435 and \$407, respectively | 1,336 | 2,078 |
| Inventories | 1,874 | 1,997 |
| Prepaid expenses and other current assets | 98 | 88 |
| Total current assets | 5,006 | 5,622 |
| Equipment, net | - | 135 |
| Operating lease right-of-use assets | 203 | 224 |
| Deferred tax assets | 112 | 83 |
| Other assets | 21 | 19 |
| Total assets | \$ 5,342 | \$ 6,083 |

Liabilities and Stockholders' Equity

Current liabilities:

| | | |
|---------------------------|--------|--------|
| SBA loan payable | \$ 165 | \$ 112 |
| Income taxes payable | 46 | 117 |
| Accounts payable | 122 | 219 |
| Accrued expenses | 347 | 535 |
| Total current liabilities | 680 | 983 |

| | | |
|---|-----|-------|
| Convertible note payable-long term-related party | - | 500 |
| SBA loan payable, net of current portion | - | 53 |
| Operating lease liabilities, net of current portion | 95 | 123 |
| Total liabilities | 775 | 1,659 |

Stockholders' equity:

| | | |
|---|----------|----------|
| Preferred stock - par value \$.01 per share; authorized 100,000 shares, none issued and outstanding | - | — |
| Common stock - par value \$.01 per share; authorized 15,000,000 shares, 5,153,706 shares issued and outstanding | 52 | 52 |
| Additional paid-in capital | 207 | 207 |
| Retained earnings | 4,308 | 4,165 |
| Total stockholders' equity | 4,567 | 4,424 |
| Total liabilities and stockholders' equity | \$ 5,342 | \$ 6,083 |

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Chief Executive/Financial Officer

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