

**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) February 28, 2023

THE REAL GOOD FOOD COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41025
(Commission
File Number)

87-1280343
(I.R.S. Employer
Identification Number)

**3 Executive Campus, Suite 155
Cherry Hill, NJ 08002**
(Address of Principal Executive Offices; Zip Code)

(856) 644-5624
(Registrant's telephone number, including area code)

Not applicable
(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
Class A common stock \$0.0001 par value per share	RGF	Nasdaq Global Market

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 1.01 Entry into a Material Definitive Agreement.

On February 28, 2023 (the “Effective Date”), Real Good Foods, LLC, a wholly owned subsidiary of The Real Good Food Company, Inc. (the “Company”), entered into an amendment (the “Amendment”) to its amended and restated Loan and Security Agreement with PMC Financial Services Group, LLC, dated June 30, 2016 (the “Existing Credit Facility”).

The Amendment amended the Existing Credit Facility to, among other things: (i) decrease the outstanding balance of the Company’s revolving credit facility by \$10.0 million, resulting in an increase in availability by \$10 million, by increasing the balance of the \$10.0 million term loan to \$20.0 million, (ii) change the definition of “Borrowing Base” to allow for borrowing up to 85% of the value of the eligible assets which comprise the Borrowing Base (not to exceed \$75.0 million in borrowing in the aggregate) and (iii) consolidate equipment loans for both the revolving Capex Line and termed portion, to one \$8.1 million term loan, commencing on February 28, 2023 and maturing on August 31, 2028, with payments for first six months of that term being interest only, and payments of both principal and interest to be made beginning in August 2023.

The aggregated Capex term loan shall bear interest at an annual rate no less than “Prime Rate,”¹ plus 6.1% or Prime Rate plus 13.85%.

The foregoing description does not constitute a complete summary of the Amendment and is qualified in its entirety by reference to the full text of the Amendment, which is attached hereto as Exhibit 10.1 and incorporated herein by reference. Additionally, a copy of the press release announcing the amendment is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Amendment Number Twenty-Four to Loan and Security Agreement, dated as of February 28, 2023, by and between Real Good Foods, LLC, and PMC Financial Services Group, LLC.</u>
99.1	<u>Press release, dated March 1, 2023.</u>
104	Cover Page Interactive Data File (embedded within the inline XRBL document).

¹ As used in the Amendment, “Prime Rate” means the greater of (i) the “prime rate” announced from time to time by Wells Fargo Bank, National Association, or (ii) 3.50% per annum.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE REAL GOOD FOOD COMPANY, INC.

Date: March 1, 2023

By: /s/ Gerard G. Law
Gerard G. Law
Chief Executive Officer

**AMENDMENT NUMBER TWENTY FOUR TO
LOAN AND SECURITY AGREEMENT**

THIS AMENDMENT NUMBER TWENTY FOUR TO LOAN AND SECURITY AGREEMENT (this “Amendment”), dated as of February 28, 2023 (the “Amendment Twenty Four Effective Date”) is entered into between **PMC FINANCIAL SERVICES GROUP, LLC**, a Delaware limited liability company (“Lender”), and **REAL GOOD FOODS, LLC**, a Delaware limited liability company (“Borrower”), in light of the following:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Loan and Security Agreement, dated as of June 30, 2016, as amended from time to time (the “Agreement”).

WHEREAS, Lender has previously made equipment loans to Borrower under the following credit facilities: (i) \$20 Million Capex Line as set forth in Amendment Twenty-one (the “Amendment Twenty-one Capex Line”), (ii) term loan (the “Term Loan One”), in the original principal amount \$4,500,000, which was made pursuant to the terms of Amendment Sixteen, and (iii) \$2 Million Capex Line as set forth in that certain Amendment Number Ten to Loan and Security Agreement, dated as of August 1, 2019, between Lender and Borrower (“Amendment Ten”) (the “Amendment Ten Capex Line”, and together with the Amendment Twenty-one Capex Line, the “Capex Lines”).

WHEREAS, Lender has previously made a term loan (the “Term Loan Two”) to Borrower, in the original principal amount of \$10,000,000, pursuant to Amendment Number Twenty Three.

WHEREAS, Borrower has requested that Lender consolidate the Term Loan One and the outstanding balance of the equipment loans made pursuant to the Capex Lines and reset the amortization schedule and interest rate for the consolidated equipment loans.

WHEREAS, Borrower has requested that Lender increase the Term Loan #2 and reset the amortization schedule for Term Loan Two.

NOW, THEREFORE, the parties agree as follows:

1. **DEFINITIONS.** All terms which are defined in the Agreement shall have the same definition when used herein unless a different definition is assigned to such term under this Amendment.

2. **AMENDMENTS.** Effective as of the Amendment Twenty Four Effective Date (as that term is defined in Section 2.1 of this Amendment), the Agreement is amended as follows:

2.1 **Additional Definitions.** Section 8 of the Agreement is amended by adding the following definitions:

“**Amendment Ten Capex Line**” shall have the meaning set forth in the recitals to Amendment Twenty Four.

“Amendment Twenty Four” means that certain Amendment Number Twenty Four to Loan and Security Agreement, dated as of February , 2023, between Lender and Borrower.

“Amendment Twenty Four Effective Date” shall have the meaning set forth in the preamble to Amendment Twenty Four.

“Amendment Twenty-one Capex Line” shall have the meaning set forth in the recitals to Amendment Twenty Four.

“Capex Lines” shall have the meaning set forth in the recitals to Amendment Twenty Four.

2.2 **Increase in Inventory Advance Rates.** The Inventory advance rates in Clause (b) of the definition of Borrowing Base in Section 1A(c) of the Schedule to Loan and Security Agreement is deleted in its entirety and is replaced with the following:

(b) up to **85%** of Eligible Inventory (the “Inventory Advance Rate”, and also an “Advance Rate”) of the value of Borrower’s Eligible Inventory (as defined in Section 8 above), calculated at the lower of cost or market value and determined on a first-in, first-out basis.

2.3 **Consolidation of Equipment Loans.** The equipment loans made pursuant to the Capex Lines (Section 1B Capex Line of the Schedule) and the Term Loan made pursuant to Section 1C of the Schedule are hereby consolidated. Section 1B and Section 1C of the Schedule are hereby deleted and replaced with the following:

B. [Reserved]

C. **Consolidation of CapEx Loans and Term Loan.** Borrower and Lender acknowledge (i) that the aggregate outstanding principal balance of the equipment loans made pursuant to the Amendment Ten Capex Line is \$856,899.41 (the “Amendment Ten Equipment Loan Balance”), (ii) that the aggregate outstanding principal balance of the equipment loans made pursuant to the Amendment Twenty-one Capex Line is \$4,008,829.31 (the “Amendment Twenty-one Equipment Loan Balance”, and (iii) that the aggregate outstanding principal balance of the Term Loan One is \$3,258,977.35 (the “Term Loan Balance”). The aggregate amount of the Amendment Ten Equipment Loan Balance, Amendment Twenty-one Equipment Loan Balance and Term Loan Balance equals \$8,124,706.07 (such aggregate amount shall be referred to as the “COI Equipment Term Loan”).

Commencing on March 31, 2023, interest on the COI Equipment Term Loan shall be paid monthly as provided in Section 1.2 of this Agreement and Section 2 of the Schedule. In the event the Prime Rate increases, Borrower will be charged the difference (so long as it is positive) between (i) the Prime Rate plus 6.10% and (ii) 13.85%. The amount of such difference will be charged to (and payable by) Borrower as of the last day of each fiscal quarter.

The COI Equipment Term Loan shall be repaid by the Borrower to Lender in 60 equal monthly installments of principal, plus accrued but unpaid interest, commencing on September 30, 2023, as set forth in the amortization schedule attached as Exhibit A to the Amendment Twenty Four, and continuing on the last day of the month thereafter until the earliest of the following dates (“COI Equipment Term Loan Maturity Date”): (i) the date the COI Equipment Term Loan has been paid in full, (ii) the Revolver Maturity Date or (iii) the date this Agreement terminates by its terms or is terminated, as provided in this Agreement. On the COI Equipment Term Loan Maturity Date (or, if earlier, upon acceleration of the Obligations in accordance with the terms of this Agreement), the entire unpaid principal balance of the COI Equipment Term Loan, plus all other Obligations relating to the COI Equipment Term Loan shall be due and payable. Any portion of the Term Loan that is repaid may not be reborrowed.

All payments by Borrower to Lender in respect of the COI Equipment Term Loan shall be made via ACH banking transfer to Lender’s bank account per written instructions that Lender shall provide to Borrower.

2.4 **Increase in Term Loan Two.** The first sentence of Section 2.3D of the Schedule is hereby deleted and replaced with the following:

Subject to the terms and conditions of this Agreement, Lender agrees to make a term loan (the “Term Loan Two”) to Borrower in the principal amount of Twenty Million Dollars (\$20,000,000). Borrower hereby instructs Lender on the Amendment Number Twenty Four Effective Date to apply Ten Million Dollars of Term Loan Two to the outstanding Obligations under the Revolving Loans.

3. **CONDITION PRECEDENT AND SUBSEQUENT.**

3.1 **Condition Precedent.** This Amendment shall be effective only upon satisfaction in full of the following conditions precedent:

- A. Lender shall have received a fully executed copy of this Amendment Twenty Four.
- B. Lender shall have received a fully executed Amendment Fee Letter, of even date herewith, between Borrower and Lender.

4. **REPRESENTATIONS AND WARRANTIES.** Borrower hereby affirms to Lender that all of Borrower’s representations and warranties set forth in the Agreement are true, complete and accurate in all respects as of the date hereof.

5. **LIMITED EFFECT.** Except for the specific amendment contained in this Amendment, the Agreement shall remain unchanged and in full force and effect.

6. **RELEASE BY BORROWER.** Borrower, for itself, and for its agents, servants, officers, directors, shareholders, employees, heirs, executors, administrators, successors and assigns, forever release and discharge Lender and its servants, employees, accountants, attorneys, shareholders, subsidiaries, officers, directors, heirs, executors, administrators, successors and assigns from any and all claims, demands, liabilities, accounts, obligations, costs, expenses, liens, actions, causes of action, rights to indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, which Borrower had, now has, or has acquired, individually or jointly, at any time prior to the Agreement Date, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all of the claims, damages, demands and causes of action, known or unknown, suspected or unsuspected by Borrower which:

6.1 Arise out of the Loan Documents;

6.2 Arise by reason of any matter or thing alleged or referred to in, directly or indirectly, or in any way connected with, the Loan Documents; or

6.3 Arise out of or in any way are connected with any loss, damage, or injury, whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Lender or any party acting on behalf of Lender.

7. **WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542.** Borrower acknowledges that there is a risk that subsequent to the execution of this Agreement it may incur or suffer losses, damages or injuries which are in some way caused by the transactions referred to in the Loan Documents or this Agreement, but which are unknown and unanticipated at the time this Agreement is executed. Borrower does hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described herein, as well as those known and anticipated, and upon advice of counsel, Borrower does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which section has been duly explained and reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

8. **LEGAL ADVICE OBTAINED.** The advice of legal counsel has been obtained by each party prior to signing this Agreement and each party executes this Agreement voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, namely, the extinguishment of obligations except for the executory provisions of this Agreement.

9. **COUNTERPARTS; EFFECTIVENESS.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

IN WITNESS WHEREOF, Lender and Borrower have executed this Amendment.

REAL GOOD FOODS, LLC

By: The Real Good Food Company, Inc.
Its: Managing Member

By: /s/ Bryan Freeman
Name: Bryan Freeman
Title: Executive Chairman

Signature Page to Amendment Number Twenty Four to Loan and Security Agreement

PMC FINANCIAL SERVICES GROUP, LLC

By /s/ Walter E. Buttkus, III

Name: Walter E. Buttkus, III

Title: President

Signature Page to Amendment Number Twenty Four to Loan and Security Agreement

The Real Good Food Company Announces Amendment to Existing Credit Facility to Enhance Liquidity by up to \$20 Million

Favorable Amendment Allows for Borrowing an Additional \$10 Million and Increased Advance Rates on Finished Goods and Raw Materials, Enhancing Liquidity Position by up to \$20 Million

Cherry Hill N.J., March 1, 2023 – The Real Good Food Company Inc. (NASDAQ: RGF) (“Real Good Foods” or the “Company”), a leading health and wellness frozen foods company, today announced the amendment of its loan and security agreement (“existing credit facility”) with its lender, which is expected to enhance the Company’s liquidity position by up to \$20 million.

“Our lender has been a strategic partner of ours, having funded our strong growth since inception,” said Bryan Freeman, Executive Chairman of The Real Good Food Company. “This favorable new amendment illustrates their continued confidence in our growth prospects. The optionality and enhanced liquidity from our credit facility provides us with access to non-dilutive capital that will help us to drive sustainable value creation for our shareholders over the long-term.”

The amendment (i) allows for borrowing an additional \$10.0 million in excess of the value of the eligible assets which comprise the Borrowing Base of the existing credit facility and (ii) increases the advance rates on finished goods and raw materials.

About The Real Good Food Company

Real Good Foods (NASDAQ: RGF) is a leading health and wellness frozen foods company, providing a better way to enjoy your favorite foods. The Company’s mission is to provide “Real Food You Feel Good About Eating”, making delicious, nutritious foods that are low in sugar, low in carbohydrates and high in protein. The Real Good Foods family of products includes breakfast, lunch, dinner, and snacks – available in over 16,000 stores nationwide with additional direct-to-consumer options.

To learn more, please visit our website at realgoodfoods.com or join us on social media @realgoodfoods – where we maintain some of the largest followings in the frozen food industry today.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, which statements are subject to considerable risks and uncertainties. Forward-looking statements include all statements other than statements of historical fact contained in this press release, including statements regarding its projected financial results, including net sales, adjusted gross margin, and adjusted EBITDA and its ability to increase production at its new facility, improve profitability and meet its long-term growth objectives. The Company has attempted to identify forward-looking statements by using words such as “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will,” or “would,” and similar expressions or the negative of these expressions.

Forward-looking statements represent management’s current expectations and predictions about trends affecting the Company’s business and industry and are based on information available as of the time such statements are made. Although the Company does not make forward-looking statements unless it believes it has a reasonable basis for doing so, it cannot guarantee their accuracy or completeness.

Forward-looking statements involve numerous known and unknown risks, uncertainties and other factors that may cause its actual results, performance or achievements to be materially different from any future results, performance or achievements predicted, assumed or implied by the forward-looking statements. Some of the risks and uncertainties that may cause its actual results to materially differ from those expressed or implied by these forward-looking statements are described in the section entitled “*Risk Factors*” in its Annual Report on Form 10-K for the year ended December 31, 2021. In addition, readers are cautioned that the Company may make future changes to its business and operations in response to the impacts of the COVID-19 pandemic, supply chain disruptions and macroeconomic challenges, or in response to other business developments, which changes may be inconsistent with the Company’s prior forward-looking statements, and which may not be disclosed in future public announcements.

Investor Relations Contact

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