

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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 15, 2021

**UNRIVALED BRANDS, INC.**

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction  
of incorporation)

000-54258

(Commission  
File Number)

26-3062661

(IRS Employer  
Identification No.)

3242 S. Halladay St., Suite 202

Santa Ana, CA 92705

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(888) 909-5564**

**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

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 checkmark 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.

## **Forward-looking Statements**

Statements in this Current Report on Form 8-K may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “anticipate”, “believe”, “estimate”, “expect”, “intend” and similar expressions, as they relate to Unrivaled Brands, Inc. (the “Company”) or its management, identify forward-looking statements. These statements are based on current expectations, estimates and projections about the Company’s business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and probably will, differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in the Company’s filings with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date on which they are made, and the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after such date.

### **Item 2.02. Results of Operations and Financial Condition.**

On November 15, 2021, Unrivaled Brands, Inc. (the “Company”) issued a press release announcing third quarter 2021 financial results. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02 and in Exhibit 99.1 referenced herein is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), unless the Company expressly so incorporates such information by reference.

### **Item 9.01 Financial Statements and Exhibits.**

#### **(d) Exhibits:**

<b>Exhibit</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release, dated November 15, 2021</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

**SIGNATURES**

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.

**UNRIVALED BRANDS, INC.**

Date: November 15, 2021

By: /s/ Francis Knuettel II  
Francis Knuettel II  
Chief Executive Officer

## Unrivaled Brands Reports Third Quarter 2021 Financial Results

Reports Year Over Year Quarterly Revenue Growth of 668%

SANTA ANA, Calif., Nov. 15, 2021 (GLOBE NEWSWIRE) -- Unrivaled Brands, Inc. (OTCQX: UNRV) (“Unrivaled” or the “Company”), a multi-state vertically integrated company focused on the cannabis sector with operations in California, Oregon, and Nevada, today reported its financial results for the quarter ended September 30, 2021.

Frank Knuettel, Chief Executive Officer of Unrivaled Brands stated, “I’m pleased to report the operating results for our first quarter after merging with UMBRLA, which was an important step forward in our effort to become the dominant west coast multi-state operator in the cannabis industry. During the third quarter, we recorded \$23.4 million in revenues, up 274% from \$6.3 million in revenues during the second quarter of this year and up 668% from \$3.1 million in revenues during the third quarter of 2020.

“Moreover, while we have more work to do, the cost reductions we have enacted thus far this year are evident in our operating results. Selling, general and administrative (SG&A) expenses rose considerably less than our revenue increase and represent 58% of revenue for the third quarter of 2021 down from 183% of revenue for the third quarter of 2020.

“With our expanded footprint, including dispensaries that currently are operating and dispensaries in development that are scheduled to open in the coming months, we would like to take this opportunity to affirm our revenue guidance for 2022 in excess of \$130 million for the year, notwithstanding any new relationship, partnerships or acquisitions we may make.”

### Financial Update

- Our gross profit for the quarter ended September 30, 2021 was approximately \$2.3 million, compared to a gross profit of approximately \$1.4 million for the quarter ended September 30, 2020, an increase of \$0.9 million. Our gross profit for this quarter was impaired by an approximate \$4 million reserve we took against old inventory following the UMBRLA merger. While we made operational changes that we expect will reduce the supply and demand imbalance going forward, we remain cautious of the bulk market and are continuing to review that aspect of our business.
  - Our selling, general and administrative (SG&A) expenses for the third quarter of 2021 were approximately \$13.5 million, compared to approximately \$5.6 million for the third quarter of 2020, an increase of \$7.9 million or 142%. Importantly, as a percentage of revenue, SG&A expenses declined from 183% of revenue to 58% of revenue. As we continue to grow our operations, we will incur increased overhead expenses, but expect the SG&A expenses as a percentage of revenue to meaningfully decline.
  - We reported a net loss from operations of \$11.8 million for the third quarter of 2021 compared to a net loss of \$14.1 million the third quarter of 2020. Importantly, our non-GAAP loss declined for the same period from \$12.7 million to \$0.9 million for this most recent quarter, a marked improvement. The non-GAAP details and reconciliation is set forth in the form 10-Q.
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The Company will host a conference call at 4:30 p.m. Eastern Time on Monday, November 15, 2021 to discuss its financial results and business highlights.

Interested parties may listen to the call by dialing:

Toll-Free: 1-800 954 0633

Toll / International: 1-212 231 2902

Conference ID: 21999089

The conference call will also be available via a live, listen-only webcast and can be accessed through the Investor Relations section of Unrivaled Brands website at [www.unrivaledbrands.com](http://www.unrivaledbrands.com)

#### **About Unrivaled Brands**

Unrivaled Brands is a multi-state vertically integrated company focused on the cannabis sector with operations in California, Oregon, and Nevada. In California, Unrivaled Brands operates four dispensaries, direct to consumer delivery, a state-wide distribution network, company-owned brands, and two cultivation facilities. In Oregon, we operate a state-wide distribution network, company-owned brands and outdoor and greenhouse cultivation. In Nevada, by way of a joint venture, Unrivaled Brands operates a cultivation and manufacturing facility. Unrivaled Brands is home to Korova, the market leader in high potency products across multiple product categories, currently available in California, Oregon, Arizona, and Oklahoma, as well as Sticks and Cabana.

For more info, please visit: <https://unrivaledbrands.com>

#### **Cautionary Language Concerning Forward-Looking Statements**

Certain statements contained in this communication regarding matters that are not historical facts, are forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These include statements regarding management's intentions, plans, beliefs, expectations, or forecasts for the future, and, therefore, you are cautioned not to place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by law. We use words such as "anticipates," "believes," "plans," "expects," "projects," "future," "intends," "may," "will," "should," "could," "estimates," "predicts," "potential," "continue," "guidance," and similar expressions to identify these forward-looking statements that are intended to be covered by the safe-harbor provisions of the PSLRA. Such forward-looking statements are based on our expectations and involve risks and uncertainties; consequently, actual results may differ materially from those expressed or implied in the statements due to a number of factors.

New factors emerge from time-to-time and it is not possible for us to predict all such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. These risks, as well as other risks associated with the combination, will be more fully discussed in our reports with the SEC. Additional risks and uncertainties are identified and discussed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC. Forward-looking statements included in this release are based on information available to Company as of the date of this release. The Company undertakes no obligation to update such forward-looking statements to reflect events or circumstances after the date of this release.

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**UNRIVALED BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except shares)

	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>(Unaudited)</u>	
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 15,238	\$ 888
Accounts receivable, net	8,433	835
Short term investments	-	34,045
Inventory	15,865	1,602
Prepaid expenses and other assets	3,260	234
Notes Receivables	750	-
Current assets of discontinued operations	-	2
<b>Total current assets</b>	<b>43,546</b>	<b>37,606</b>
Property, equipment and leasehold improvements, net	40,848	32,480
Intangible assets, net	135,752	7,714
Goodwill	23,575	6,171
Other assets	15,054	13,040
Investments	437	330
Assets of discontinued operations	109	2,953
<b>TOTAL ASSETS</b>	<b>\$ 259,321</b>	<b>\$ 100,294</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,428	\$ 8,622
Deferred Gain on Sale of Assets	139	-
Short-term debt	8,648	8,033
Current liabilities of discontinued operations	8,632	9,768
<b>Total current liabilities</b>	<b>41,847</b>	<b>26,423</b>
Long-term liabilities:		
Long-term debt, net of discounts	13,545	6,632
Long-term lease liabilities	8,065	8,082
Long-term liabilities of discontinued operations	-	28
<b>Total long-term liabilities</b>	<b>21,610</b>	<b>14,741</b>
<b>Total liabilities</b>	<b>63,457</b>	<b>41,164</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, par value 0.001:	460	218
990,000,000 shares authorized as of September 30, 2021 and December 31, 2020; 432,886,195 shares issued and 430,557,787 shares outstanding as of September 30, 2021; 196,512,867 shares issued and 194,204,459 shares outstanding as of December 31, 2020.		
Additional paid-in capital	373,878	275,060
Treasury Stock (2,308,408 shares of common stock, 4 shares of Preferred Stock Convertible Series A)	(808)	(808)
Accumulated deficit	(240,274)	(219,803)
<b>Total Unrivald Brands, Inc. Stockholders' Equity</b>	<b>133,256</b>	<b>54,667</b>
Non-controlling interest	62,608	4,463
<b>Total stockholders' equity</b>	<b>195,864</b>	<b>59,130</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 259,321</b>	<b>\$ 100,294</b>

**UNRIVALED BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**  
(in thousands, except for shares and per-share information)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Total revenues	\$ 23,434	\$ 3,053	\$ 34,809	\$ 9,806
Cost of goods sold	21,146	1,615	27,750	4,796
Gross profit	2,288	1,438	7,059	5,010
Selling, general and administrative expenses	13,516	5,588	33,841	20,409
Impairment of assets	-	9,792	-	19,910
(Gain) / Loss on sale of assets	-	-	6	(35)
Loss from operations	(11,227)	(13,943)	(26,788)	(35,273)
Other income (expense):				
(Gain) / Loss on Extinguishment of Debt	185	-	(5,976)	-
Interest expense, net	(740)	(529)	(1,344)	(1,885)
Other income/loss	5	372	367	349
Gain (loss) on investments	-	-	5,337	-
Total other income (expense)	(550)	(157)	(1,616)	(1,536)
Income / (Loss) from Subsidiaries	-	-	-	-
Income (Loss) from continuing operations	(11,777)	(14,100)	(28,404)	(36,809)
Income (Loss) from discontinued operations, net of tax	6,312	(4,199)	6,270	(17,342)
<b>NET INCOME (LOSS)</b>	<b>(5,465)</b>	<b>(18,299)</b>	<b>(22,134)</b>	<b>(54,151)</b>
Less: Income (Loss) attributable to non-controlling interest from continuing operations	(118)	(138)	(604)	(479)
Less: Income (Loss) attributable to non-controlling interest from discontinued operations	-	-	-	-
<b>NET INCOME / (LOSS) ATTRIBUTABLE TO UNRIVALED BRANDS, INC.</b>	<b>\$ (5,347)</b>	<b>\$ (18,161)</b>	<b>\$ (21,530)</b>	<b>\$ (53,672)</b>
Income / (Loss) from continuing operations per common share attributable to Unrivald Brands, Inc. common stockholders – basic and diluted	\$ (0.03)	\$ (0.07)	\$ (0.09)	\$ (0.20)
Net Loss per common share attributable to Unrivald Brands, Inc. common stockholders – basic and diluted	\$ (0.01)	\$ (0.09)	\$ (0.07)	\$ (0.29)
Weighted-average number of common shares outstanding – basic and diluted	457,745,655	206,828,614	317,491,979	186,295,127



**UNRIVALED BRANDS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
**(in thousands)**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Loss	\$ (22,134)	\$ (54,151)
Less: Net Income (loss) from discontinued operations	6,270	(17,342)
Net loss from continuing operations	(28,404)	(36,809)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	-	650
Gain from debt forgiveness	(86)	-
(Gain) loss on sale of assets	6	(35)
Amortization of debt discount	-	845
Depreciation and amortization	4,480	5,062
Operating lease expense	633	680
Stock based compensation	2,884	1,672
Impairment loss	-	19,910
Gain on sale of investments	(5,337)	-
Non-cash portion of severance expense	7,990	-
Loss (gain) on extinguishment of debt	5,976	-
Non cash interest expense	30	-
Change in operating assets and liabilities:		
Accounts receivable	(1,766)	292
Inventory	3,100	(518)
Prepaid expenses and other current assets	(1,392)	218
Other assets	338	(1,024)
Accounts payable and accrued expenses	(3,798)	1,567
Operating lease liabilities	(45)	(380)
Net cash provided by / (used in) operating activities - continuing operations	(15,391)	(7,870)
Net cash provided by / (used in) operating activities - discontinued operations	(925)	(5,020)
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>(16,316)</b>	<b>(12,890)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, equipment and leasehold improvements	(6,442)	(46)
Purchase of equity investment	-	243
Proceeds from sale of investments	39,382	-
Cash outflow for loans	-	(250)
Cash paid for acquisitions	(15,000)	-
Cash from acquisitions	2,258	57
Proceeds from sales of assets	72	35
Net cash provided by / (used in) investing activities - continuing operations	20,271	39
Net cash provided by / (used in) investing activities - discontinued operations	8,350	11,189
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>	<b>28,621</b>	<b>11,228</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of notes payable	6,000	2,954
Payments of debt principal	(3,778)	(430)
Cash paid for debt discount	-	(8)
Proceeds from issuance of common stock	-	250
Cash contribution from non-controlling interest	-	152
Cash paid for debt issuance cost	(178)	-
Cash distribution to non-controlling interest	-	(145)
Purchase of treasury stock	-	-
Net cash provided by / (used in) financing activities - continuing operations	2,044	2,773
Net cash provided by / (used in) financing activities - discontinued operations	-	-
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES</b>	<b>2,044</b>	<b>2,773</b>
<b>NET CHANGE IN CASH</b>	<b>14,350</b>	<b>1,112</b>
Cash at beginning of period	888	1,226
<b>CASH AT END OF PERIOD</b>	<b>\$ 15,238</b>	<b>\$ 2,338</b>
<b>SUPPLEMENTAL DISCLOSURE FOR OPERATING ACTIVITIES:</b>		
Cash paid for interest	\$ 705	\$ 892
<b>SUPPLEMENTAL DISCLOSURE FOR NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Debt principal and accrued interest converted into common stock	\$ 2,100	\$ 2,252
Stock Issued for the acquisition of OneQor	\$ -	\$ 9,305
Stock options exercised on a net share basis	\$ 79,032	\$ -
Stock, stock options and warrants issued for the acquisition of UMBRLA	\$ 2,986	\$ -
Assumption of Halladay mortgage	\$ 58,749	\$ -
Promissory note issued for severance	\$ -	\$ -
Fixed assets in accounts payable	\$ 3	\$ 792
Non-cash contribution from non-controlling interest	\$ -	\$ 702
Net assets acquired from acquisitions of Umbrla and People's	\$ 153,571	\$ -



	<b>Non-GAAP Reconciliation (in thousands)</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended September</b>	
	<b>September 30</b>		<b>30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Net loss attributable to Unrivald Brands Inc.	\$ (5,347)	\$ (18,161)	\$ (21,530)	\$ (53,672)
Non-GAAP adjustments				
Amortization of intangible assets	1,136	-	1,512	761
Depreciation expense	1,091	-	2,968	1,913
Stock based compensation	1,685	-	2,883	1,244
Impairment of assets	-	4,998	-	10,118
Interest expense	740	454	1,344	1,356
Severance expense for Series A share repurchases	-	-	8,990	-
Loss (Gain) on sale of investments	-	-	(5,337)	-
Gain on sale of assets	-	-	6	(35)
Gain for debt forgiveness	-	-	(86)	-
Loss on extinguishment of debt	(185)	-	5,976	-
Non-GAAP gain / (loss)	<u>\$ (880)</u>	<u>\$ (12,709)</u>	<u>\$ (3,273)</u>	<u>\$ (38,315)</u>

	<b>Non-GAAP Reconciliation (in thousands, except for share amounts)</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended September</b>	
	<b>September 30</b>		<b>30</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Non-GAAP net income (loss)	\$ (880)	\$ (12,709)	\$ (3,273)	\$ (38,315)
Denominator				
Weighted average common shares - Basic	457,745,655	206,828,614	317,491,979	186,295,127
Weighted average common shares - Diluted	457,745,655	206,828,614	317,491,979	186,295,127
Non-GAAP earnings (loss) per common share:				
Non-GAAP earnings (loss) - Basic	\$ (0.00)	\$ (0.06)	\$ (0.01)	\$ (0.21)
Non-GAAP earnings (loss) - Diluted	\$ (0.00)	\$ (0.06)	\$ (0.01)	\$ (0.21)