

Risk Factors Comparison 2025-04-15 to 2024-04-01 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Labor The future impact of COVID-19 is **a significant component of** highly uncertain and cannot be predicted and there-- **the cost of operating** is no assurance that COVID-19 will not have a material adverse impact on our business, financial condition and results of operations. The extent of the impact of COVID-19 will depend on future developments, including actions taken to contain COVID-19, and if these impacts persist or exacerbate over an extended period of time. The rapid spread of other contagious illnesses such as a novel coronavirus, or fear of such an event, could also have a material adverse effect on the demand for our products and services and therefore have a material adverse effect on our business and results of operations. Such a widespread health crisis could adversely affect the global economy, resulting in an economic downturn that could impact demand for our products. Competition in the food retail industry is intense and presents an ongoing threat to the success of our business. The food retail industry is very competitive. In our online and wholesale business, we compete with food retail stores, supermarkets, warehouse clubs and other mass and general retail and online merchandisers, many of which are larger than us and have significantly greater capital resources than we do, selling both competitive products and retailing our own products, and competing against our direct online business. We also compete with a number of Natural, Organic and Functional Food and Beverage producers. We face significant competition from these and other retailers and producers. Any changes in their merchandising and operational strategies could negatively affect our sales and profitability. In particular, competitors seek to gain or retain market share by reducing prices, we would likely be forced to reduce our prices on similar product offerings in order to remain competitive, which may result in a decrease in our market share, net sales and profitability and may require a change in our operating strategies. We have been able to compete successfully by differentiating ourselves from our competitors by providing an expanding selection of natural, organic, and functional food and beverage products, competitive pricing, convenience and exceptional customer service. If changes in consumer preferences decrease the competitive advantage attributable to these factors, or if we fail to otherwise positively differentiate our product offering or customer experience from our competitors, our business, financial condition, and results of operations could be materially and adversely affected. Many of our current competitors have, and potential competitors may have, longer operating histories, greater brand recognition, larger fulfillment infrastructures, greater technical capabilities, significantly greater financial, marketing, and other resources and larger customer bases than we do. These factors may allow our competitors to derive greater net sales and profits from their existing customer bases, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in consumer preferences or habits. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies (including but not limited to predatory pricing policies and the provision of substantial discounts), which may allow them to build larger customer bases or generate net sales from those customer bases more effectively than we are able to execute upon. There can be no assurance that we will be able to successfully compete against these competitors. We expect competition in the Natural, Organic and Functional Food and Beverage industry generally to continue to increase. We believe that our ability to compete successfully in this market depends upon many factors both within and beyond our control, including: ● the size and composition of our customer base; ● the number of products that we feature on our website; ● the quality and responsiveness of our customer service; ● our selling and marketing efforts; ● the quality and price of the products that we offer; ● the convenience of the shopping experience that we provide; ● our ability to distribute our products and manage our operations; and ● our reputation and brand strength. Given the rapid changes affecting the global, national, and regional economies generally and the Natural, Organic and Functional Food and Beverage industry, we may not be able to create and maintain a competitive advantage in the marketplace. Our success will depend on our ability to respond to, among other things, changes in consumer preferences, laws and regulations, market conditions, and competitive pressures. Any failure by us to anticipate or respond adequately to such changes could have a material adverse effect on our financial condition, operating results, liquidity, cash flow and our operational performance. If we fail to compete successfully in this market, our business, financial condition, and results of operations would be materially and adversely affected. Our products are new, and our industry is rapidly evolving. To be successful we must, among other things: ● develop, manufacture, and introduce new attractive and successful consumer products in our BranchOut brand; ● attract and maintain a large customer base and develop and grow that customer base; ● increase awareness of our BranchOut brand and develop effective marketing strategies to ensure consumer loyalty; ● establish and maintain strategic relationships with key sales, marketing, manufacturing, and distribution providers; ● respond to competitive and technological developments; and ● attract, retain, and motivate qualified personnel. We cannot guarantee that we will succeed in achieving our goals, and our failure to do so would have a material adverse effect on our business, prospects, financial condition, and operating results. Some of our products are new and are in the early stages of commercialization, and some products that are important to our growth strategy are in various stages of research and development and have not yet been commercialized. Products in development that have not yet been commercialized include Broccoli Bites, Asparagus Sticks, Mango Chips and Mandarin Crisps and others. We are not certain that these, or any other future products, will be developed to commercialization, sell as anticipated, or be desirable to their intended markets. Also, some of our products may have limited uses and benefits, which may limit their appeal to consumers and put us at a competitive disadvantage. Developing new products and placing them into wholesale channels and into conventional and natural grocery environments is an expensive and time-consuming process, and if a product fails to sustain market acceptance, the investment made in the product may be lost. As is typical in a rapidly evolving industry, the development process and demand and market acceptance for recently introduced

products are subject to a high level of uncertainty and risk. Because the market for our products is new, evolving and therefore uncertain, it is difficult to predict with any certainty the size of this market and its growth rate, if any. We cannot guarantee that we will be successful in developing new products, or that a market for our products will develop or that demand for our products will be sustainable. If we fail to develop new products, or the market for new products fails to develop, develops more slowly than expected or becomes saturated with competitors, our business, financial condition and operating results would be materially adversely affected. Our future results of operations may be adversely affected by volatile commodity costs. Many aspects of our business could be directly affected by volatile commodity costs. Agricultural commodities and raw materials, including avocados, bananas, pineapples, blueberries and other fresh produce, plastic film, cardboard, and other packaging materials, are the principal inputs used in our products. These items are subject to price volatility which can be caused by commodity market fluctuations, inflation, crop yields, seasonal cycles, weather conditions (including the potential effects of climate change), temperature extremes and natural disasters (including floods, droughts, water scarcity, frosts, earthquakes and hurricanes), pest and disease problems, changes in currency exchange rates, imbalances between supply and demand, natural disasters and government programs and policies, among other factors. Volatile fuel costs translate into unpredictable costs for the products and services we receive from our third-party providers including, but not limited to, distribution costs for our products and packaging costs. The volatility of such costs could have a material adverse effect on our results of operations. We are subject to the risks associated with sourcing and manufacturing products from, and conducting business operations outside of the United States, which could adversely affect our business. We purchase our products from a variety of suppliers, including international suppliers. Our direct purchases from non-US suppliers represented most of our raw material purchases in 2023 and 2022, and we expect our international purchases to grow. We may in the future also enter into agreements with distributors in foreign countries to sell our products. All of these activities are subject to the uncertainties associated with international business operations, including: ● difficulties with foreign and geographically dispersed operations; ● having to comply with various U. S. and international laws; ● changes and uncertainties relating to foreign rules and regulations; ● tariffs, export or import restrictions, restrictions on remittances abroad, imposition of duties or taxes that limit our ability to import necessary materials; ● limitations on our ability to enter into cost-effective arrangements with distributors, or at all; ● fluctuations in foreign currency exchange rates; ● imposition of limitations on production, sale, or export in foreign countries, including due to COVID-19 or other epidemics, pandemics, outbreaks and quarantines; ● imposition of limitations on or increase of withholding and other taxes on remittances and other payments by foreign processors or joint ventures; ● imposition of differing labor laws and standards; ● economic, political, environmental, health-related or social instability in foreign countries and regions; ● an inability, or reduced ability, to protect our intellectual property; ● availability of government subsidies or other incentives that benefit competitors in their local markets that are not available to us; ● difficulties in recruiting and retaining personnel, and managing international operations; ● difficulties in enforcing contracts and legal decisions; and ● less developed infrastructure. In particular, there has been significant recent political instability in Peru and Chile, where our contract manufacturers are located. There can be no assurance that political instability in those countries will not materially and adversely affect our contract manufacturers and, in turn, our ability to source our products. If we expand into other target markets, we cannot assure you that our expansion plans will be realized, or if realized, be successful. We expect each market to have particular regulatory and funding hurdles to overcome, and future developments in these markets, including the uncertainty relating to governmental policies and regulations, could harm our business. If we expend significant time and resources on expansion plans that fail or are delayed, our reputation, business and financial condition may be adversely affected. In addition, we could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act, as amended, and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to officials or other third parties for the purpose of obtaining or retaining business. While our policies mandate compliance with these anti-bribery laws, our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, cash flows and financial condition. Our results may be negatively affected by changes in foreign currency exchange rates. Currently, substantially all of our international purchase and sales contracts are denominated in U. S. dollars. As a result, a decrease in the value of the U. S. dollar relative to foreign currencies could increase our costs in dollars for the food products and ingredients that we import from other countries. In addition, if and when we expand into international markets, an increase in the value of the U. S. dollar relative to foreign currencies could require us to reduce our selling price or risk making our products less competitive in international markets. A larger portion of our revenues may be denominated in other foreign currencies if we expand into international markets. Conducting business in currencies other than U. S. dollars could subject us to fluctuations in currency exchange rates that could negatively affect our revenues, cost of revenues and operating margins and result in foreign currency translation gains and losses. We may be unable to adequately protect our brand and our other intellectual property rights. We regard our brand, customer lists, trademarks, domain names, trade secrets and similar intellectual property as critical to our success. We may rely on U. S. and international trademark, copyright and patent law, trade secret protection, agreements and other methods with our employees and others to protect our proprietary rights. We might not be able to obtain broad protection in the United States for all our intellectual property. The protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights, and we may be unable to broadly enforce all our trademarks. Any of our trademarks or other intellectual property rights or future patents (if any) may be challenged by others or invalidated through administrative process or litigation. Any of our future patent and trademark applications may never be granted. To date, we have applied for patent protection with the United States Patent and Trademark Office with respect to certain of the manufacturing processes that we use (in addition to our licensed technology). Even if we are granted one or more patents with respect to our manufacturing

process, there is no guarantee that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. Furthermore, our confidentiality agreements may not effectively prevent disclosure of our proprietary information, technologies and processes and may not provide an adequate remedy in the event of unauthorized disclosure of such information. We might be required to spend significant resources to monitor and protect our intellectual property rights. For example, we may initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or other proprietary rights or to establish the validity of such rights. However, we may be unable to discover or determine the extent of any infringement, misappropriation or other violation of our intellectual property rights and other proprietary rights. Despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may materially and adversely affect our business, financial condition, and results of operations. In addition, our licensed technology platform may use open-source software. The use of such open-source software may subject us to certain conditions, including the obligation to offer, distribute, or disclose our licensed technology platform for no or reduced cost, make the proprietary source code subject to open-source software licenses available to the public, license our software and systems that use open-source software for the purpose of making derivative works, or allow reverse assembly, disassembly, or reverse engineering. We may not be able to enforce our intellectual property rights throughout the world. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop the infringement or the misappropriation of our intellectual property rights. The loss of the BranchOut brand or logo or other registered or common-law trade names or a diminution in the perceived quality of products or services associated with the Company would harm our business. Our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs to the Company and be a distraction to management and other employees. A food safety or quality issue that results in a product disruption such as a recall, health issue, or death of a consumer could harm our business. The sale of products for human use and consumption involves the risk of injury or illness to consumers. Such injuries may result from inadvertent mislabeling, tampering by unauthorized third parties or product contamination or spoilage. Under certain circumstances, we may be required to recall or withdraw products, suspend production of our products, or cease operations, which may lead to a material adverse effect on our business. In addition, customers may stop placing or cancel orders for such products as a result of such events. Even if a situation does not necessitate a recall or market withdrawal, product liability claims might be asserted against us. While we are subject to governmental inspection and regulations and believe our facilities and those of our co-packers and suppliers comply in all material respects with all applicable laws and regulations, if the consumption of any of our products causes, or is alleged to have caused, a health-related illness or death to a consumer, we may become subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or physical harm could cause consumers to lose confidence in the safety and quality of our products. Moreover, claims or liabilities of this type might not be covered by our insurance or by any rights of indemnity or contribution that we may have against others. Although we maintain product liability and product recall insurance in an amount that we believe to be consistent with market practice, we cannot be sure that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage. A product liability judgment against us or a product recall could have a material adverse effect on our business, financial condition, results of operations or liquidity. We may be subject to significant liability that is not covered by insurance. Although we believe that our insurance coverage is consistent with industry practice, any claim under our insurance policies may be subject to certain exceptions, may not be honored fully, in a timely manner, or at all, and we may not have purchased sufficient insurance to cover all losses incurred. If we were to incur liabilities not covered by insurance or if our business operations were interrupted for a substantial period, we could incur costs and suffer losses. Additionally, insurance coverage may not be available to us at commercially acceptable premiums in the future, or at all. We rely on independent certification for a number of our products. We rely on independent third-party certification, such as certifications of our products as “Organic”, “KETO”, “Gluten Free”, “Vegan” or “Non-GMO” (non-genetically modified organisms), to differentiate our products from others. We must comply with the requirements of independent organizations or certification authorities in order to label our products as certified. The loss of any independent certifications could adversely affect our market position as a natural products company and harm our business. Our future results of operations may be adversely affected by the availability of certifiable ingredients. Our ability to ensure a continuing supply of certifiable ingredients at competitive prices depends on many factors beyond our control, such as the number and size of farms that grow organic crops, climate conditions, changes in national and world economic conditions, currency fluctuations and forecasting adequate need of seasonal ingredients. The ingredients that we use in the production of our products (including, among others, avocados, bananas, pineapples and blueberries) are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, water scarcity, temperature extremes, frosts, earthquakes and pestilence. Natural disasters and adverse weather

conditions (including the effects of climate change) can lower crop yields and reduce crop size and crop quality, which in turn could reduce our supplies of certifiable ingredients or increase the prices of such ingredients. If our supplies of certifiable ingredients are reduced, we may not be able to find enough supplemental supply sources on favorable terms, if at all, which could impact our ability to supply product to our customers and adversely affect our business, financial condition and results of operations. We also compete with other manufacturers in the procurement of certifiable product ingredients, which may be less plentiful in the open market than conventional product ingredients. This competition may increase in the future if consumer demand for certifiable products increases. This could cause our expenses to increase or could limit the amount of product that we can manufacture and sell. Adverse weather conditions, natural disasters, crop disease, pests and other natural conditions can impose significant costs and losses on our business. Agricultural products are vulnerable to adverse weather conditions, including severe rains, drought and temperature extremes, floods and windstorms, which are quite common but difficult to predict. Agricultural products also are vulnerable to crop disease and to pests, which may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. Unfavorable growing conditions caused by these factors can reduce both crop size and crop quality and, in extreme cases, entire harvests may be lost. Additionally, adverse weather or natural disasters, including earthquakes, winter storms, droughts, volcanic events or fires, could impact the manufacturing and business facilities of our suppliers in South America, which could result in significant costs and meaningfully reduce our capacity to fulfill orders and maintain normal business operations. These factors may result in lower sales volume and increased costs due to increased costs of products. Incremental costs, including transportation, may also be incurred if we need to find alternate short-term supplies of products from alternative areas. These factors can increase costs, decrease revenues and lead to additional charges to earnings, which may have a material adverse effect on our business, results of operations and financial condition. Climate change may negatively affect our business and operations. There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as avocados, bananas, pineapples, blueberries and other fresh produce. As a result of climate change, we may also be subjected to decreased availability of water, deteriorated quality of water or less favorable pricing for water, which could adversely impact our manufacturing and distribution operations, as well as the agricultural businesses of our suppliers, which rely on the availability and quality of water. Our production equipment may be damaged, adversely affecting our ability to meet consumer and wholesale demand. A significant proportion of our products are produced at our contract manufacturers' facilities in South America. A significant disruption at those facilities or to any of our key production equipment, even on a short-term basis, could impair our ability to timely produce and ship products, which could have a material adverse effect on our business, financial position and results of operations. In the past, we have had manufacturing delays due to damaged and malfunctioning equipment, shipping delays, U. S. port congestion and delays, and cannot fully insure against the effects of such delays on our business. The manufacturing operations of our suppliers are vulnerable to interruption and damage from natural and other types of disasters, including earthquake, fire, floods, volcanic events, draughts, environmental accidents, winter storms, power loss, disease outbreaks, epidemics or pandemics such as the COVID-19 pandemic, communications failures and similar events. If any disaster were to occur at one of these facilities, our ability to operate our business would be seriously impaired. Damage to our brand's reputation could have a material impact on our results of operations. Our financial success is directly dependent on the consumer perception of our brand. The success of our brand may suffer if our marketing plans or product initiatives do not have the desired impact on our brand's image or its ability to attract consumers. Further, our results could be negatively affected if our brand suffers substantial damage to its reputation due to real or perceived quality issues or other actions by the Company or any of its executives. We rely on retailers and distributors for a substantial portion of our sales, and our failure to maintain and further develop our sales channels could harm our business. We sell a substantial portion of our products through retailers such as Costco, Walmart and Sam's Club Stores; distributors such as United Natural Foods, Inc. and KeHE Distributors; and online through Amazon.com, and we depend on these third parties to sell our products to consumers. The top two retailers of our products for the year ended December 31, 2023, were Wal-Mart and Costco, accounting for 77% and 13% of our net sales, respectively. The top two retailers of our products for the year ended December 31, 2022 were Costco and KeHE Distributors, accounting for approximately 59% and 11% of our net sales, respectively, for the year. No other retailer or distributor represented more than 10% of our total net sales in 2023 or 2022. The loss of, or business disruption at, one or more of these retailers or distributors or a negative change in our relationship with Costco or Sam's Club, or a disruption to any one of our sales channels could have a material adverse effect on our business. If we do not maintain our relationship with existing retailers and distributors or develop relationships with new retailers and distributors, the growth of our business may be adversely affected, and our business may be harmed. If we are required to obtain additional or alternative distribution agreements or arrangements in the future, we cannot be certain that we will be able to do so on satisfactory terms or in a timely manner. Our inability to enter into satisfactory distribution agreements may inhibit our ability to implement our business plan or to establish markets necessary to expand the distribution of our products successfully. We do not have long-term purchase agreements with our customers. Many of our customers buy from us under purchase orders, and we generally do not have long-term agreements with or commitments from these customers for the purchase of products. We cannot provide assurance that our customers, including customers that participate in our subscription programs, will maintain, or increase their sales volumes or orders for our products or that we will be able to maintain or add to our existing customer base. As a result, our past sales experience is not indicative of future sales or anticipated sales trends. Further, decreases in our customers' sales volumes or orders for products supplied by us may have a material adverse effect on our business, financial condition, or results of operations and may occur without warning thus making future planning and forecasting difficult. We may not be able to successfully implement our growth strategy for our brand on a

timely basis or at all. We believe that our future success depends, in part, on our ability to implement our growth strategy of leveraging our existing brand and products to drive increased sales. Our ability to implement this strategy depends, among other things, on our ability to: • enter distribution and other strategic arrangements with third-party retailers and other potential distributors of our products; • successfully compete in the product categories in which we operate; • introduce new and appealing products and successfully innovate on our existing products; • develop and maintain consumer interest in our brand; and • increase our brand recognition and loyalty. We may not be able to implement this growth strategy successfully. Our planned marketing expenditures may not result in increased sales or generate sufficient levels of consumer interest or brand awareness, and our high rates of sales and income growth may not be sustainable over time. Failure to maintain sufficient production capacity with our contract manufacturers on terms that are beneficial for us may result in our inability to meet customer demand and / or may increase our operating costs and capital expenditures. We intend to rely on external production capacity of our contract manufacturers and partner with co-packers that use both their own production equipment as well as our production equipment. We have plans to expand our partner production facilities though additional investments in capital expenditures. A failure by any of our contract manufacturers or our co-packers to comply with food safety, environmental, or other laws and regulations, or to produce products of the quality and taste profile we expect, may also disrupt our supply of products. In addition, we may experience increased distribution and warehousing costs due to capacity constraints resulting from our growth. If we need to enter additional co-packing, warehousing, or distribution agreements in the future, we can provide no assurance that we would be able to find acceptable third-party providers or enter into agreements on satisfactory terms or at all. In addition, we may need to expand our internal capacity, which could increase our operating costs and could require significant capital expenditures. If we cannot maintain sufficient production, warehousing, and distribution capacity, either internally or through third-party agreements, we may be unable to meet customer demand and / or our manufacturing, distribution and warehousing costs may increase, which could negatively affect our business. If we or our contract manufacturers face labor shortages or increased labor costs, our results of operations and our growth could be adversely affected. Labor, particularly the costs of labor associated with our contract manufacturers, is a significant component of the cost of operating our business. Our ability and particularly the ability of our contract manufacturers to meet labor needs while controlling labor costs are subject to external factors, such as employment levels, prevailing wage rates, minimum wage legislation, changing demographics, health and other insurance costs and governmental labor and employment requirements. In the event of increasing wage rates, if we or any of our contract manufacturers fail to increase our wages competitively, the quality of our workforce and products could decline, while increasing our wages could cause our earnings to decrease. If we face labor shortages or increased labor costs because of increased competition for employees from our competitors and other industries, higher employee-turnover rates, or increases in the federal- or state- mandated minimum wage, change in exempt and non-exempt status, or other employee benefits costs (including costs associated with health insurance coverage or workers' compensation insurance), our operating expenses could increase and our business, financial condition and results of operations could be materially and adversely affected. Consumer preferences for natural and organic food products are difficult to predict and may change. Our business is primarily focused on sales of non- GMO, organic and natural products, and our success depends, in part, on our ability to offer products that anticipate the tastes and dietary habits of consumers and appeal to their preferences on a timely and affordable basis. Consumer eating habits may impact our business because of changes in attitudes regarding diet and health or new information regarding the health effects of consuming products we distribute. If consumer eating habits change significantly, we may be required to modify or discontinue sales of certain items in our product portfolio, and we may experience higher costs associated with implementing those changes. We cannot ensure that we will be able to effectively respond to changes in consumer health perceptions or to adapt our product offerings to trends in eating habits. A significant shift in consumer demand away from our products, could reduce our sales and harm our business. Consumer trends change based on a number of possible factors, including nutritional values, a change in consumer preferences or general economic conditions. Additionally, there is a growing focus among some consumers to buy local food products in an attempt to reduce the carbon footprint associated with transporting food products from longer distances, which could result in a decrease in the demand for food products and ingredients that we import from other countries or transport from remote processing locations or growing regions. Further, failures by us or our competitors to deliver quality products could erode consumer trust in the organic certification of foods. A significant shift in consumer demand away from our products would reduce our market share, harming our business. Technology failures or security breaches could disrupt our operations and negatively impact our business. In the normal course of business, we rely on information technology systems to process, transmit, and store electronic information. For example, our production and distribution facilities and inventory management utilize information technology to increase efficiencies and limit costs. Information technology systems are also integral to the reporting of our results of operations. Furthermore, a significant portion of the communications between, and storage of personal data of, our personnel, customers, and suppliers depend on information technology, including social media platforms. Our information technology systems may be vulnerable to a variety of interruptions, as a result of updating our enterprise platform or due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers, and other security issues. These events could compromise our confidential information, impede, or interrupt our business operations, and may result in other negative consequences, including remediation costs, loss of revenue, litigation and reputational damage. Furthermore, if a breach or other breakdown results in disclosure of confidential or personal information, we may suffer reputational, competitive and / or business harm. While we have implemented administrative and technical controls and taken other preventive actions to reduce the risk of cyber incidents and protect our information technology, they may be insufficient to prevent physical and electronic break- ins, cyber- attacks, or other security breaches to our computer systems, which could have a material adverse effect on our business, financial condition or results of operations. Economic downturns could limit consumer demand for our products and negatively affect our sales and profitability. The premium organic and natural food industry is sensitive to national

and regional economic conditions and the demand for the products that we distribute may be adversely affected from time to time by economic downturns that impact consumer spending, including discretionary spending. Future economic conditions such as employment levels, business conditions, housing starts, interest rates, inflation rates, energy and fuel costs and tax rates could reduce consumer spending or change consumer purchasing habits. Among these changes could be a reduction in the number of natural and organic products that consumers purchase where there are non-organic alternatives, given that many premium natural and organic products, and particularly premium natural and organic foods, often have higher retail prices than do their non-organic counterparts. **16 Regulatory Risks Tariffs imposed on the importation of our products into the United States would increase the cost of our products and could result in decreased demand for our products. Our operations and financial results may be adversely impacted by changes in trade policies, including the imposition of tariffs, import / export restrictions, or other trade barriers. A significant portion of our products is manufactured in foreign countries, and as a result, we are subject to tariffs, customs duties, and other trade-related costs. While the recent tariffs imposed by President Trump don't apply to imports from Peru and Chile, if the U. S. or other governments impose new or increased tariffs on goods imported from Peru or other countries where we manufacture our products, it could increase our production costs, reduce our profit margins, and lead to higher prices for consumers, potentially affecting demand for our products.** Our products and operations are subject to government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could adversely affect our business and results of operations. We are affected by a wide range of governmental laws and regulations. Examples of regulatory agencies influencing our operations include the United States Department of Agriculture (the "USDA"), the Food and Drug Administration (the "FDA"), the Federal Trade Commission (the "FTC"), and the Environmental Protection Agency (the "EPA"), among others. These agencies regulate, among other things, with respect to our products and operations: • design, development, and manufacturing; • testing, labeling, content, and language of instructions for use and storage; • product safety; • marketing, sales, and distribution; • record keeping procedures; • advertising and promotion; • recalls and corrective actions; and • product import and export. These laws and regulations affect various aspects of our business. For example, certain food ingredient products manufactured by us are regulated under the United States Federal Food, Drug, and Cosmetic Act ("FDCA"), as administered by the FDA. Under the FDCA, pre-marketing approval by the FDA is required for the sale of a food ingredient which is a food additive unless the substance is generally recognized as safe, under the conditions of its intended use by qualified experts in food safety. We believe that most food ingredients in our products are generally recognized as safe. However, this status cannot be determined until actual formulations and uses are finalized. As a result, we may be adversely affected if the FDA determines that our food ingredient products do not meet the criteria for generally recognized as safe. The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. The failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions and third-party lawsuits such as: • warning letters; • fines; • injunctions; • civil penalties and civil lawsuits; • termination of distribution; • recalls or seizures of products; • termination of distribution; • delays in the introduction of products into the market; and • total or partial suspension of production. Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and harm our reputation, business, financial condition, and results of operations. We may also be required to take corrective actions, such as installing additional equipment or taking other actions, each of which could require us to make substantial capital expenditures. In addition, we could be required to indemnify our employees in connection with any expenses or liabilities that they may incur individually in connection with regulatory action against them. As a result, our future business prospects could deteriorate due to regulatory constraints, and our profitability could be impaired by our obligation to provide such indemnification to our employees. **17** Our reputation could suffer from real or perceived issues involving the labeling or marketing of our products. Products that we sell carry claims as to their origin, ingredients, or health benefits, including, by way of example, the use of the term "natural", "functional", or "healthy", or similar synonyms or implied statements relating to such benefits. Although the FDA and the USDA each has issued statements regarding the appropriate use of the word "natural," there is no single, U. S. government regulated definition of the term "natural" for use in the food industry, which is true for many other adjectives common in our industry. The resulting uncertainty has led to consumer confusion, distrust, and legal challenges. Plaintiffs have commenced legal actions against several food companies that market "natural" products, asserting false, misleading, and deceptive advertising and labeling claims, including claims related to genetically modified ingredients. In limited circumstances, the FDA has taken regulatory action against products labeled "natural" but that nonetheless contain synthetic ingredients or components. Should we become subject to similar claims, consumers may avoid purchasing products from us or seek alternatives, even if the basis for the claim is unfounded. Adverse publicity about these matters may discourage consumers from buying our products. The cost of defending against any such claims could be significant. Any loss of confidence on the part of consumers in the truthfulness of our labeling or ingredient claims would be difficult and costly to overcome and may significantly reduce our brand value. Any of these events could adversely affect our reputation and brand and decrease our sales, which would have a material adverse effect on our business, financial condition, and results of operations. Similarly, certain USDA regulations set forth the minimum standards producers must meet in order to have their products labeled as "certified organic." While we believe our products and our supply chain are in compliance with these regulations, changes to food regulations may increase our costs to remain in compliance. We could lose certifications if a facility becomes contaminated, if we do not use raw materials that are certified, or if key ingredients used in our products are no longer allowed to be used in food certifications. The loss of our certifications could materially and adversely affect our business, financial condition, or results of operations. In addition, the USDA has proposed a rule requiring disclosure of the use of genetic engineering in manufacturing a product or an ingredient used in a product. The rule has not been finalized, and we are unable to predict with certainty what the final requirements will be. If the USDA issues bioengineering disclosure regulations inconsistent

with our practices, the resulting changes in labeling could adversely affect customer acceptance of our product and materially and adversely affect our business. Litigation and regulatory enforcement concerning marketing and labeling of food products could adversely affect our business and reputation. The marketing and labeling of any food product in recent years has brought increased risk that consumers will bring class action lawsuits and that the FTC and / or state attorneys general will bring legal action concerning the truth and accuracy of the marketing and labeling of the product. Examples of causes of action that may be asserted in a consumer class action lawsuit include fraud, unfair trade practices and breach of state consumer protection statutes. The FTC and / or state attorneys general may bring legal action that seeks removal of a product from the marketplace and impose fines and penalties. Even when unmerited, class claims, action by the FTC or state attorneys' general enforcement actions can be expensive to defend and adversely affect our reputation with existing and potential customers and consumers and our corporate and brand image, which could have a material and adverse effect on our business, financial condition or results of operations. We may face scrutiny from evolving state regulations concerning health, safety, our supply chain and marketing. In addition to the federal regulatory issues listed above, there are a growing number of state regulations that might impair our ability to operate and avoid interruption. For example, California currently enforces legislation commonly referred to as " Proposition 65 " that requires that " clear and reasonable " warnings be given to consumers who are exposed to chemicals known to the State of California to cause cancer or reproductive toxicity. Although we seek to comply with the requirements of Proposition 65, there can be no assurance that we will not be adversely affected by litigation or other actions relating to Proposition 65 or future legislation that is similar or related thereto. Increased compliance costs associated with operating in California and other states could adversely affect our business, financial condition and results of operations.

Risks Related to Our Capital Structure Our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations and our creditors have broad remedies in the event of default. As of December 31, ~~2024 and 2023 and 2022~~, we had total liabilities of \$ ~~10,514,292 and \$ 914,622 and \$ 8,404,033~~, respectively. Certain portions of this indebtedness are secured by a security interest in substantially all of our assets, and our security agreements include broad remedies in favor of the lenders, including the right to foreclose on pledged assets in connection with an event of default. **18** If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, dispose of assets, or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis or on terms satisfactory to us, or at all. Our substantial indebtedness could have important consequences, including: • our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes may be limited; • a portion of our cash flows from operations will be dedicated to the payment of principal and interest on the indebtedness and will not be available for other purposes, including operations, capital expenditures and future business opportunities; and • we may be vulnerable in a downturn in general economic conditions or in business or may be unable to carry on capital spending that is important to our growth. Our Articles of Incorporation provide that the Nevada Eighth Judicial District Court of Clark County, Nevada shall be the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our Articles of Incorporation provide that, subject to limited exceptions, the Nevada Eighth Judicial District Court of Clark County, Nevada shall be, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought in the name or right of the Corporation or on its behalf, (ii) any action asserting a claim for breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of Nevada Revised Statutes (" NRS ") Chapters 78 or 92A, our Articles of incorporation or our bylaws, (iv) any action to interpret, apply, enforce or determine the validity of our Articles of Incorporation or bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine. Notwithstanding these provisions of our Articles of Incorporation, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, and notwithstanding the provisions of our Articles of Incorporation, compliance with the federal securities laws and the rules and regulations thereunder may not be waived by our investors. Accordingly, the exclusive forum provision of our Articles of Incorporation would not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act the rules and regulations thereunder or any other claim for which the federal courts have exclusive or concurrent jurisdiction, which may cause us to incur additional costs associated with resolving such actions in other jurisdictions. These choice of forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for certain disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents. Stockholders who do bring a claim in the Nevada Eighth Judicial District Court of Clark County, Nevada could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of Nevada. The Nevada Eighth Judicial District Court of Clark County Nevada may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find the choice of forum provision contained in our Articles of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition. **19**

We are an emerging growth company and a smaller reporting company, and the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies may make our common stock less attractive to investors. We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are

not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company until the five- year anniversary of our IPO, although circumstances could cause us to lose that status earlier, including if we become a “ large accelerated filer ” as defined in Rule 12b- 2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, or if we have total annual gross revenue of \$ 1. 07 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 or, if we issue more than \$ 1. 0 billion in non- convertible debt during any three year period before that time, in which case we would cease to be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a “ smaller reporting company ”, which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Investors may find our common stock less attractive because we may rely on these exemptions. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non- voting common stock held by non- affiliates is less than \$ 250. 0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$ 100. 0 million during the most recently completed fiscal year and our voting and non- voting common stock held by non- affiliates is less than \$ 700. 0 million measured on the last business day of our second fiscal quarter. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. ITEM 1B. Unresolved Staff Comments **Not Applicable. ITEM 1C. CYBERSECURITY Risk Management and Strategy We periodically assess risks from cybersecurity threats, and monitor our information systems for potential vulnerabilities. However, to date, given the small size of our company and the nature of our operations, our reliance on information systems has been limited to the use of standard off- the- shelf software (such as Google, QuickBooks and Microsoft Office) and the use by our employees of standard personal computers. Accordingly, management has not implemented any formal process for assessing, identifying, and managing risks from cybersecurity threats. Risks from cybersecurity threats have, to date, not materially affected us, our business strategy, results of operations or financial condition. We discuss how cybersecurity incidents could materially affect us in our risk factor disclosures in Item 1A of this Annual Report on Form 10- K. Governance As discussed above, given the nature of our current operations and our experience to date, we do not currently perceive cybersecurity as a particularly significant risk to our business. Accordingly, we have not tasked our Board of Directors with any additional cybersecurity oversight duties, or designated any committee of the Board of Directors to specifically oversee cybersecurity risks to our business. ITEM 2. Properties**