

Risk Factors Comparison 2024-04-01 to 2023-03-22 Form: 10-K

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

You should carefully consider the risks described below and elsewhere in this Annual Report on Form 10-K, which could materially and adversely affect our business, results of operations or financial condition. Our business faces significant risks and the risks described below may not be the only risks we face. Additional risks not presently known to us or that we currently believe are immaterial may materially affect our business, results of operations, or financial condition. If any of these risks occur, the trading price of our common stock could decline and you may lose all or part of your investment. ~~13~~¹³**Risks-- Risks** Related to Our Business We have a history of losses, expect to continue to incur losses in the near term and may not achieve or sustain profitability in the future, and as a result, our management has identified and our auditors agreed that there is a substantial doubt about our ability to continue as a going concern. We have incurred significant losses since our inception. We experienced net losses of approximately \$ **10.2 million and \$ 12.4535 million in for the year years** ended December 31, **2023 and 2022** and \$ ~~5.538 million in the year ended December 31, 2021~~ **respectively**. We expect our capital expenses and operational expenses to increase in the future due to ~~expected costs to retrofit the Edible Garden Heartland facility~~, increased sales and marketing expenses, operational **costs, packhouse construction** costs, and general and administrative costs and, therefore, our operating losses will continue or even increase at least through the near term. Furthermore, to the extent that we are successful in increasing our customer base, we will also incur increased expenses because costs associated with generating and supporting customer agreements are generally incurred up front, while revenue is generally recognized ratably over the term of the relationship. You should not rely upon our past results as indicative of future performance. We may not reach profitability in the near future or at any specific time in the future. If and when our operations do become profitable, we may not sustain profitability. The report of our independent registered public accounting firm that accompanies our audited consolidated financial statements contains a going concern qualification in which such firm expressed substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result if we are unable to continue as a going concern. If we are unable to continue as a going concern, holders of our securities might lose their entire investment. The doubts raised relating to our ability to continue as a going concern may make our shares an unattractive investment for potential investors, which may make it difficult to raise any additional capital and may cause us to be unable to continue to operate our business. We **may need to raise capital in the next twelve months beyond the date of the issuance future, which may not be available on favorable terms, if at all, and which may cause dilution to holders** of our ~~consolidated financial statements~~ **common stock, restrict our operations or adversely affect our ability to operate and continue our business. If we need to raise additional funds** Our operations have consumed substantial amounts of cash since inception. The net cash used in operating activities was \$ 8.5 million and \$ 9.2 million for the **future** years ended December 31, **we 2023 and 2022, respectively**. We cannot be certain that we will be able to obtain financing on favorable terms, if at all, and any financings could result in additional dilution to holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, expending capital, or declaring dividends, or which impose financial covenants on us that limit our ability to achieve our business objectives. If we need additional capital and cannot raise it on acceptable terms, we may not be able to meet our business objectives, our stock price may fall and you may lose some or all of your investment. ~~We Our inability~~ currently operate our Flagship Facility pursuant to an informal arrangement with our predecessor and the lessor of the land instead of a lease. We currently do not have a formal lease to the land on which our Flagship Facility, in Belvidere, New Jersey, is built. We are currently party to an ongoing, informal arrangement with our predecessor company, Edible Garden Corp., whereby we make lease payments of approximately \$ 21,860 per month to the ~~lessor of the land on which our facility is built, Whitetown Realty, LLC (the "Landlord")~~, and for which our predecessor company is the lessee. We effectively rent the property on a month-to-month basis with no set term. We do not have a lease in place directly with the lessor of the property that gives us the right to operate the property, and there is no written agreement between us and our predecessor company or us and the Landlord describing this arrangement. We have not entered into a sub-lease or assignment of the agreement between our predecessor company and the Landlord, and we are not a party to or a beneficiary of the original lease between our predecessor company and the Landlord. Accordingly, we are subject to the risk that we will lose access to the property if the lessor were to evict us from the facility and property. If we were unable to access the property and continue operations in Belvidere, New Jersey, we may: · lose the ability to continue growing as great a quantity of herbs and lettuce; · incur costs in locating and leasing or purchasing a substitute for the Flagship Facility; · incur costs in purchasing new equipment or improving equipment at a new leased facility; · incur increased costs in filling purchase orders from our customers from contract growers; · lose access to the ~~management team and~~ **management team and** skilled employees that operate the Flagship Facility, if we were to relocate those operations; · risk our earned reputation with customers if there is a disruption in our business; and · harm our reputation in our community. If those risks occur, we may be unable to continue our business and you could lose the entire value of your investment in us. ~~14~~¹⁴~~We~~¹⁸**We may need to raise capital in the..... or all of your investment. We** have a relatively short operating history, which makes it difficult to evaluate our business and future prospects. We have a relatively short operating history, which makes it difficult to evaluate our business and future prospects. While the predecessor business has existed since 2013, our company has been in existence only since March 2020. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including those related to: · market acceptance of our current and future products and services; · our ability to compete with other companies offering similar products and services; · our ability to effectively market our

products and services and attract new customers; · the amount and timing of expenses, particularly sales and marketing expenses, related to the maintenance and expansion of our business, operations and infrastructure; · our ability to control costs, including our expenses; · our ability to manage organic growth and growth through acquisitions; · changing regulatory environments and costs associated with compliance; and · general economic conditions and events. If we do not manage these risks successfully, our business and financial performance will be adversely affected. We have historically earned most of our revenue from a limited number of customers, and if we lose any of these customers or if we are unable to replace the revenue through the sale of our products to additional customers, our financial condition and results from operations would be materially and adversely affected. During the ~~years~~ ~~year~~ ended December 31, **2023, 83.1 % of our total revenue was attributed to five customers (44.4 % of which was attributed to sales to one customer). During the year ended December 31, 2022 and 2021, 76 % of our total revenue was attributed to three customers. At** ~~accounted for approximately 76 % of our total revenue, and at~~ December 31, ~~2022-2023 and 2021~~, approximately ~~61-80.4 % and 79 %, respectively~~, of our gross outstanding trade receivables were ~~attributable~~ ~~attributed to these four customers (41.1 % of which was due from one customer). As of~~ **December 31, 2022, approximately 68.0 % of our gross outstanding trade receivables were attributed to three customers.** These customers generally do not enter into long- term contracts. **Although we entered into the Supply Agreements, which provide for a three- year term, Meijer may terminate the Supply Agreements without cause upon 60 days' notice.** We face risks related to maintaining the volume demanded on a short- term basis from these customers, which can also divert resources away from other customers. This concentration of customers leaves us exposed to the risks associated with the loss of one or more of these significant customers, which would materially and adversely affect our revenue and results of operations. If these customers were to significantly reduce their relationship with us, or in the event that we are unable to replace the revenue through the sale of our products to additional customers, our financial condition and results from operations could be negatively impacted, and such impact would likely be significant. The loss of one or more of our customers, or a reduction in the level of purchases made by these customers, could negatively impact our sales and ability to generate profits. We sell our products to national and local supermarket chains. Our business and financial condition will be materially adversely affected if sales to one or more of our largest customers are reduced. These customers make purchase decisions based on a combination of price, product quality, consumer demand, customer service performance, desired inventory levels and other factors that may be important to them at the time the purchase decisions are made. Changes in these customers' strategies or purchasing patterns may adversely affect our sales. For example, the customers may face financial or other difficulties, which may impact their operations and cause them to reduce their level of purchases, which could then adversely affect our results of operations. Any bankruptcy or other business disruption involving one of our significant customers also could adversely affect our results of operations. ~~150~~**190**Our business is characterized by low margins, which are sensitive to inflationary and deflationary pressures, and intense competition and consolidation in the grocery industry, and our inability to increase our gross margins could adversely affect our results of operations. Our industry is characterized by a relatively high volume of sales with relatively low profit margins, and as competition in certain areas intensifies and the industry continues to consolidate, our results of operations may be negatively impacted through a loss of sales and reduction in gross margin dollars. The grocery business is intensely competitive, and the competitive landscape is dynamic and continues to evolve, including from competitors that have greater financial and other resources than we do. We cannot provide assurance that we will be able to compete effectively against current and future competitors. The continuing consolidation of retailers, the growth of chains and closures of grocery locations may reduce our gross margins in the future should we experience pricing pressure from our customers. Prolonged periods of product cost inflation and periods of rapidly increasing inflation also have a negative impact on our gross margins and results of operations to the extent that we are unable to pass on all or a portion of such product cost increases to our customers, or to the extent our operating expenses increase. If we are unable to increase our gross margins, our results of operations will be adversely affected. Our relationships with customers and suppliers are **primarily** based on purchase orders rather than long- term purchase commitments. We are subject to uncertainty because our relationships with customers and suppliers are **primarily** based on purchase orders rather than long- term purchase commitments, **such as the Supply Agreements**. Our produce is grown at facilities we own or control in Michigan and New Jersey and at third- party locations by contract growers. Based on forecasts derived from our GreenThumb software, to ensure availability of products, we or our contract growers start sowing products in advance of receiving purchase orders for those products. Inaccuracies in our forecasts of customer demand and product mix could negatively affect our ability to supply product to our customers and consequently, our operating results. Our customers can cancel purchase orders or defer the shipments of our products under certain circumstances with little or no advance notice to us. If we grow more products than we are able to sell to our customers, we will incur losses and our results of operations and financial condition will be harmed. If we or the contract grower have not grown enough of a specific product to fulfill a purchase order, our customers typically find another source of the product and we do not incur any additional costs. However, if we are unable to fill orders over time, we may harm our reputation with the customer and may be unable to maintain our relationship with the customer. Similarly, we may terminate the purchase orders we submit to contract growers at any time and for any reason, but if we do so, we risk jeopardizing the relationship with the contract grower and they may be less likely to accept purchase orders we submit, which would limit the potential growing capacity we can access and may limit our ability to supply products to our customers. We depend on contract growers as suppliers for fulfilling our customers' purchase orders, and the loss of significant potential growing capacity would negatively impact our results of operations and financial condition. We depend, in part, on contract growers to grow the herbs and lettuce we sell to our customers. By using contract growers, we are able to increase the potential growing capacity for our products because we are limited in the amount of products we can grow in the Michigan and New Jersey facilities. If the contract growers were to significantly increase their prices, we will earn less per unit than we anticipate and may suffer losses if we are not able to pass those costs on to our customers. If we lost a relationship with a contract grower whose location was near to an important customer, we may not be

able to deliver product to that customer as quickly as we would prefer and may have to transport the product over a longer distance, which would negatively impact our goals of delivering product as quickly as possible and using less “ food miles. ” If we were to lose a relationship with a significant number of our contract growers and were not able to find suitable alternatives for growing the affected products, we would be unable to fulfill purchase orders from our customers. If that were to occur, our reputation with our customers could suffer, and we may ultimately lose those customers and be unable to continue our business.

~~16~~**20**Our secured indebtedness could have important consequences to you. Our secured indebtedness could have important consequences to you. For example, it could: · limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other general corporate requirements; · require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes; · limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and · place us at a competitive disadvantage compared to competitors that may have proportionately less debt and greater financial resources. Our secured indebtedness held by **The promissory note initially issued to** Sament Capital Investments, Inc. **and later assigned to third parties (the “ Sament Note ”)** is secured by a security interest in all of our assets located at the New Jersey Facility, and the **promissory note issued to the seller of Edible Garden Heartland (the “ Michigan Note ”)** is secured by a mortgage on Edible Garden Heartland **and a security interest in the assets at Edible Garden Heartland. In addition, the balance under the Standard Merchant Cash Advance Agreement (the “ Advance Agreement ”) with Cedar Advance LLC (“ Cedar ”) is collateralized by our cash and receivable accounts**. If we were to default on our obligations under these loans **and arrangements**, the ~~lenders~~ **counterparties** would have the right to our assets. We could be required to dispose of material assets or operations to meet our debt service and other obligations, and the value realized on such assets or operations will depend on market conditions and the availability of buyers. Accordingly, any such sale may not, among other things, be for a sufficient dollar amount. If we were to otherwise attempt to sell material assets or operations, the foregoing encumbrances may limit our ability to dispose of material assets or operations. In the event that the ~~lenders~~ **counterparties** enforced their rights to our assets, we may have to discontinue our business, and our stockholders could lose all or a part of their investment in us. We have material weaknesses in our internal control over financial reporting, ~~which and if left unremediated~~ **our remediation of such material weaknesses is not effective, or if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired** ~~materially and adversely affect the market price of our common stock~~. As of December 31, ~~2022~~ **2023**, we did not maintain effective controls over the control environment, including our internal control over financial reporting. Because we are a small company with few employees in our finance department, we lacked the ability to have adequate segregation of duties in the financial statement preparation process. Since these entity level controls have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness. In addition, we have a material weakness in our internal control over financial reporting because we lack maintenance of appropriate documentation to support our internal controls and we have insufficiently reviewed reports identifying user entity controls. If we are unable to remediate the ~~identified~~ **material weaknesses**, ~~our~~ **or further implement and maintain effective internal control over** financial reporting ~~may not be reliable and the market price of our~~ **or common stock may disclosure controls and procedures, our ability to record, process and report financial information accurately and to prepare financial statements within required time periods could be adversely affected**. **Further, if we are unable to conclude that our internal control over financial reporting is effective, or, if and when required, our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial statements, the market price of our common stock could be adversely affected, our common stock could become subject to delisting and we could become subject to litigation or investigations by the stock exchange or exchanges on which our securities are listed, the SEC or other regulatory authorities, any of which could require additional financial and management resources.** **Furthermore, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of financial statements for prior periods**. Our performance may be impacted by general and regional economic volatility, inflation, or an economic downturn. An overall decline in economic activity could adversely impact our business and financial results. Economic uncertainty may reduce consumer spending as consumers make decisions on what to include in their food budgets, particularly if food costs increase more quickly than wages in an inflationary environment. Economic uncertainty could also result in changing consumer preference and could reduce the demand for our products. Shifts in consumer spending could result in increased pressure from competitors or customers that may require us to increase promotional spending or reduce the prices of some products, which could then lower revenue and profitability. Additionally, we are subject to regional economic volatilities since our potential growing capacity is located in a few areas, including Belvidere, New Jersey; Francesville, Indiana; Grand Rapids, Michigan; and Hixton, Wisconsin. Our use of hydroponic farming requires that it rely on local disease- free water sources and growing materials. Accordingly, any change in the availability of these local raw materials could adversely affect our operating results. ~~17~~**21**Because our business is concentrated on a limited set of products, we are vulnerable to changes in consumer preferences and changes in economic conditions affecting disposable income that could harm our financial results. Our business is not diversified and consists primarily of growing, shipping and selling fresh herbs and lettuce,

along with plant- based protein and a line of gourmet sauces and chili- based products. Consumers' preferences change rapidly and without warning, moving from one trend to another among many retail concepts. Therefore, our business is substantially dependent on our ability to anticipate shifts in consumers' tastes and preferences. Any future shifts in consumer preferences away from the consumption of these products would also have a material adverse effect on our results of operations. Consumer purchases of specialty retail products, including our products, are discretionary in nature and are historically affected by economic conditions such as changes in employment, salary and wage levels, and confidence in prevailing and future economic conditions as may be affected by geopolitical issues events, political instability such as the Russian invasion of Ukraine, trade restrictions, unseasonable weather, pandemics and other public health emergencies, as well as other factors that are outside of our control. Discretionary purchases may decline during recessionary periods or at other times when disposable income is lower, such as during highly inflationary periods. If periods of decreased consumer spending persist, our sales could decrease, and our financial condition and results of operations could be adversely affected. ~~Our business would be adversely affected by the departure of members of our management team. Our success depends, in large part, on the continued contributions of James E. Kras and Michael James. Although we have employment agreements in place for each of these executives, we cannot assure you that each will remain with us for a specified period. Although we have additional personnel that contribute to our business, the loss of either of these executives could harm our ability to implement our business strategy, operate our day- to- day business and respond to the rapidly changing market conditions in which we operate.~~ If we are unable to attract, train and retain qualified personnel, we may not be able to effectively execute our business strategy. Our future success depends on our ability to attract, retain and motivate qualified personnel, including our management, sales and marketing, operational, transportation, finance and administration personnel. For example, we currently have a limited number of drivers to transport our products to our customers. We do not know whether we will be able to hire sufficient workers for these positions to meet our production and delivery goals or, if hired, retain all of these personnel as we continue to pursue our business strategy. The loss of the services of one or more of our key employees, or our inability to attract, retain and motivate qualified personnel could have a material adverse effect on our business, financial condition and operating results. The costs of our operations may exceed our estimates due to factors outside of our control, such as labor shortages or external price increases, and we may be unable to pass those costs to our customers, which would negatively impact our financial results. We depend on our employees and contracted grow operations teams to grow and distribute our products to our customers. We rely on access to competitive, local labor supply, including skilled and unskilled positions, to operate our business consistently and reliably. Any labor shortage and any disruption in our ability to hire workers would negatively affect our operations and financial condition. If we experience a sustained labor shortage, we may need to increase wages to attract workers, which would increase our costs of growing our products. We have experienced price increases for packaging materials, natural gas supply, and shipping, and we have increased wages for our existing employees to adjust for inflation. If these increases continue or worsen, including due to inflationary pressures, and we are unable to pass those increased costs on to our customers, our gross margin will decline and our financial results would be negatively impacted. We may not successfully integrate assets from acquisitions. ~~We completed two asset acquisitions during 2022: Edible Garden Heartland and Pulp.~~ If we fail to accurately assess and successfully integrate any recent or future acquisitions, we may not achieve the anticipated benefits, which could result in lower revenue, unanticipated operating expenses, and increased losses. Successful integration involves many challenges, including: · the difficulty of integrating acquired operations and personnel with our existing operations; · the difficulty of developing, manufacturing, and marketing new products and services; · the diversion of our management' s attention as a result of evaluating, negotiating and integrating acquisitions; · in some cases, our exposure to unforeseen liabilities of acquired companies; and · the loss of key employees of an acquired business operation. ~~18~~**22**In addition, an acquisition could adversely impact cash flows, operating results, and stockholder interests, for many reasons, including: · contingent consideration payments; · the issuance of securities in connection with an acquisition or new business venture that dilutes or lessens the rights of our current stockholders; · charges to our income to reflect the impairment of acquired intangible assets, including goodwill; and · interest costs and debt service requirements for any debt incurred in connection with an acquisition or new business venture. If we are not able to successfully integrate the assets from our acquisitions into our business, we could significantly increase our costs without realizing expected benefits, which would adversely affect our business, financial condition, and results of operations. If the integration of any or all of our acquisitions or future acquisitions is not successful, it could have a material adverse impact on our operating results and stock price. Our future business acquisition efforts may not be successful, which may limit our growth or adversely affect our results of operations, and financing of any future acquisitions could result in stockholder dilution and increase our outstanding indebtedness. If we identify an appropriate acquisition candidate, we may not be able to successfully negotiate terms or finance the acquisition. If economic downturns or other matters of national or global concern continue for an extensive period of time or recur, our ability to pursue and consummate potential acquisitions could be materially adversely affected. In addition, to successfully complete targeted acquisitions, we may issue additional equity securities that could dilute our stockholders' ownership, or we may incur additional debt, which could increase our existing indebtedness. If we fail to successfully acquire businesses, our growth and results of operations could be adversely affected. We may implement new lines of business, such as the Pulp sauces, or offer new products and services within existing lines of business. As an early- stage company, we may implement new lines of business at any time. For example, in the first quarter of 2023, we launched a line of gourmet sauces and chili- based products to expand our reach into supermarkets. There are substantial risks and uncertainties associated with these efforts, particularly in instances where we have limited experience with the new lines of business or products or the markets are not fully developed. In developing and marketing new lines of business and / or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and / or new products or services may not be achieved, and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products

may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract customers, be subject to cost increases, or harm our brand's reputation. As a result, our business, financial condition or results of operations may be adversely affected. Damage to our reputation could negatively impact our business, financial condition and results of operations. Our reputation and the quality of our brand are critical to our business and success in existing markets, and will be critical to our success as we enter new markets. Any incident that erodes consumer loyalty for our brand could significantly reduce its value and damage our business. We may be adversely affected by any negative publicity, regardless of its accuracy. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correction. **19We-23We** are subject to risk of product contamination and product liability claims. The sales of our products involve the risk of injury to consumers. Such injuries may result from tampering by unauthorized personnel, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, or residues introduced during the growing, production, packing, storage, handling or transportation phases. We cannot be sure that consumption of our products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our brand image, which could significantly harm our business. We may incur substantial costs enforcing or acquiring intellectual property rights and defending against third-party claims as a result of litigation or other proceedings. We may incur substantial costs enforcing or acquiring intellectual property rights and defending against third-party claims as a result of litigation or other proceedings. In connection with the enforcement of our own intellectual property rights, the acquisition of third-party intellectual property rights or disputes related to the validity or alleged infringement of third-party intellectual property rights, including patent rights, we may be subject to claims, negotiations or complex, protracted litigation. Intellectual property disputes and litigation may be costly and can be disruptive to our business operations by diverting attention and energies of management and key technical personnel, and by increasing our costs of doing business. If we fail to prevail in any future litigation and disputes, it could adversely affect our results of operations and financial condition. Third-party intellectual property claims asserted against us could subject us to significant liabilities, require us to enter into royalty and licensing arrangements on unfavorable terms, prevent us from assembling or licensing certain of our products, subject us to injunctions restricting our sale of products, cause severe disruptions to our operations or the marketplaces in which we compete or require us to satisfy indemnification commitments with our customers. In addition, we may incur significant costs in acquiring the necessary third-party intellectual property rights for use in our products. Any of these could seriously harm our business. If we are unable to obtain patent protection for our products or otherwise protect our intellectual property rights, our business could suffer. Our success depends, in part, on our ability to obtain patent protection for or maintain as trade secrets our proprietary products, technologies and inventions and to maintain the confidentiality of our trade secrets and know-how, operate without infringing upon the proprietary rights of others and prevent others from infringing upon our business proprietary rights. Despite our efforts to protect our proprietary rights, it is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our technologies, inventions, processes or improvements. We cannot assure you that any of our existing or future patents or other intellectual property rights will be enforceable, will not be challenged, invalidated or circumvented, or will otherwise provide us with meaningful protection or any competitive advantage. In addition, our **three-two** pending patent applications may not be granted. If our patents do not adequately protect our technology, our competitors may be able to offer products similar to ours. Our competitors may also be able to develop similar technology independently or design around our patents, and we may not be able to detect the unauthorized use of our proprietary technology or take appropriate steps to prevent such use. We may need to enter into intellectual property license agreements in the future, and if we are unable to obtain these licenses, our business could be harmed. Any of the foregoing events would lead to increased competition and lower revenue or gross margins, which could adversely affect our operating results. **20Confidentiality-24Confidentiality** agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information, and our inability to maintain the confidentiality of that information, due to unauthorized disclosure or use, or other event, could have a material adverse effect on our business. In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce, and any other elements of our product discovery and development processes that involve proprietary know-how, information, or technology that is not covered by patents. Trade secrets, however, may be difficult to protect. We seek to protect our proprietary processes, in part, by entering into confidentiality agreements with our employees, consultants, advisors, contractors and collaborators. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, advisors, contractors, and collaborators might intentionally or inadvertently disclose our trade secret information to competitors. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, or misappropriation of our intellectual property by third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition. Our business could be negatively impacted by cyber security threats, attacks and other disruptions. We face advanced and persistent attacks on our information infrastructure

where we manage and store various proprietary information and sensitive / confidential data relating to our operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack our products or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of our customers or other third-parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we produce or procure from third-parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of our information infrastructure systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business. Security breaches of confidential customer information or confidential employee information may adversely affect our business. Our business requires the collection, transmission and retention of large volumes of customer and employee data, and other personally identifiable information, in various information technology systems that we maintain and in those maintained by third parties with whom we contract to provide services. The integrity and protection of that customer and employee data is critical to us. The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. Our systems may not be able to satisfy these changing requirements and customer and employee expectations or may require significant additional investments or time in order to do so. A breach in the security of our information technology systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of revenue. Additionally, a significant theft, loss or misappropriation of, or access to, customers’ or other proprietary data or other breach of our information technology systems could result in fines, legal claims or proceedings.

21Risks-25Risks Related to Our Industry Failure to obtain necessary permits or otherwise comply with USDA regulations and requirements could result in a ban or temporary suspension of our ability to grow, manufacture or market our products as organic, and thus could materially adversely affect our business. As a producer and distributor of food products, we are subject to the laws and regulations in the jurisdictions where our facilities are located and where our products are distributed. In particular we are subject to the Federal Food, Drug and Cosmetic Act, as amended by the Food Safety Modernization Act in 2011 (the “FSM Act”), which is enforced by the FDA. The FDA has the authority to regulate the growing, harvesting manufacture, including composition and ingredients, processing, labeling, packaging import, distribution and marketing and safety of food in the United States. The FSM Act significantly enhances the FDA’s authority over various aspects of food regulation. For example, the FSM Act granted the FDA mandatory recall authority when the FDA determines there is a reasonable probability that a food is adulterated or misbranded and that the use of, or exposure to, the food will cause serious adverse health consequences or death to humans or animals. While the FDA has been active in implementing the requirements of the FSM Act through issuance of regulations designed to result in a reduction of the risk of contamination in food manufacturing, the full impact of the FSM Act is not yet known, and we cannot assure you that it will not materially impact our business. Regulatory agencies in other jurisdictions have similar authority to address the risk of contamination or adulteration, and to require that contaminated products be removed from the market. The failure to comply with these laws and regulations in any jurisdiction, or to obtain required approvals, could result in a ban or temporary suspension on the production of our products or limit or bar their distribution, and affect our development of new products, and thus could materially adversely affect our business and operating results. In addition, the United States Department of Agriculture (the “USDA”), regulates the import and export of certain fruits and vegetables into and from the United States, and the USDA also imposes growing, manufacturing and certification requirements for certain products labeled with organic claims. Failure to obtain necessary permits or otherwise comply with USDA regulations and requirements could result in a ban or temporary suspension of our ability to grow, manufacture or market our products as organic, and thus could materially adversely affect our business. Improper use of hydroponic farming methods may significantly impact our ability to maintain our operations and may adversely affect our financial results. Improper use of indoor hydroponic farming techniques may adversely impact our operating results. For example, hydroponic farming commingles the use of water and electricity in close proximity which, if combined, may cause an electric shock or a power outage. As the nutrients supply in a hydroponic garden is powered by electricity, an outage could be detrimental to the garden. If an outage occurs, and lasts for a considerable period of time, the plants may die out if a supplementary system of nutrition is not implemented. Hydroponic farming also necessitates proactive disease management practices to protect against pests and other natural conditions, outside of our control, from spreading through water sources. If we fail to properly manage its hydroponic farms, our operations and financial results may be adversely affected. We are subject to fluctuations in market price and demand for agricultural products. Fresh produce is highly perishable and generally must be brought to market and sold soon after harvest. The selling price received for our products may depend on a variety of factors, including timing of the sale, the availability and quality of the produce item in the market, and the availability and quality of competing produce. In addition, general public perceptions regarding the quality, safety, or health risks associated with particular food products could reduce demand for some of our products. Food safety warnings, advisories, notices, and recalls, such as those administered by the FDA, the Center for Disease Control and Prevention, **and** other federal / state government agencies, could also reduce demand. To the extent that consumers evolve away from products that we produce for health, food safety or other reasons, and we are unable to modify the product or to develop products that satisfy new consumer preferences, there will be a decreased demand for our products. Our results may vary from quarter to quarter depending on seasonal fluctuations related to the sale of our products. Earnings may be affected by seasonal factors, including the availability, quality, and price of raw materials, the timing and effects of ripening and perishability, the ability to process perishable raw materials in a timely manner, the leveraging of certain fixed overhead costs during off-season months, and the slight impacts on consumer

demand based on seasonal and holiday timing. Because our products are grown, the expenses incurred to meet consumer demand are often incurred in advance of the revenue earned by selling the herbs and lettuce. For example, in our New Jersey facility, we begin sowing our longest-growing crop 13 to 14 weeks in advance of delivery. The impact of seasonal demand and the sales cycle for our products may cause our results to vary from quarter to quarter, which may make an investment in us less attractive to some investors. ~~22Increases~~ **26Increases** in commodity or raw product input costs, such as fuel and packaging materials, could increase costs significantly. Our costs are determined in part by the prices of fuel and packaging materials. We may be adversely affected if sufficient quantities of these materials are not available. In addition, any significant increase in the cost of these items could also materially and adversely affect our operating results. Specifically, we require significant quantities of fuel for our delivery vehicles and thus are exposed to the risks associated with fluctuations in the price for fuel. The price and supply of fuel can fluctuate significantly based on international, political, and economic circumstances, as well as other factors outside of our control. If we are unable to manage the potential volatility in these input costs, our operations and financial results may be adversely affected. Government policies and regulations specifically affecting the agricultural sector and related industries could adversely affect our operating results. As a manufacturer of consumable products, our operations are subject to extensive regulation by various federal government agencies, including the FDA, the USDA and the Federal Trade Commission (“FTC”), as well as state and local agencies, such as the New Jersey Department of Agriculture, with respect to production processes, product attributes, packaging, labeling, storage, and distribution. Under various statutes and regulations, these agencies prescribe requirements and establish standards for safety, purity, and labeling. In addition, the advertising for our products is subject to regulation by the FTC, and our operations are subject to certain health and safety regulations, including those issued under the Occupational Safety and Health Act. Failure to comply with existing or modified regulations promulgated by these agencies may adversely affect our operating results. We face intense competition that could prohibit us from developing or increasing our customer base. The indoor agriculture industry is highly competitive. We may compete with companies that have greater capital resources and facilities. More established companies with much greater financial resources which do not currently compete with us may be able to more easily adapt their existing operations to our line of business. Our competitors may also introduce new and improved products. We may not be able to successfully compete with larger enterprises devoting significant resources to compete in our target market. Our ability to compete depends upon our ability to predict, identify, and interpret the tastes and dietary habits of consumers and to offer products that appeal to those preferences. There are inherent marketplace risks associated with new product or packaging introductions, including uncertainties about trade and consumer acceptance. If we do not succeed in offering products that consumers want to buy, our sales will decrease. If we are unable to accurately predict which shifts in consumer preferences will be long-lasting or are unable to introduce new and improved products to satisfy those preferences, our sales will decrease. If we fail to develop products in more profitable categories, we could fail to expand margins. Due to this competition, there is no assurance that we will not encounter difficulties in increasing revenue and maintaining and / or increasing market share. In addition, increased competition may lead to reduced prices and / or margins for products we sell.

Risks Related to the Ownership of our Securities ~~There can be no assurance that we will be able to comply with the Nasdaq continued listing standards of the Nasdaq Capital Market, a failure of which could result in a delisting of our common stock and certain warrants. The Nasdaq Capital Market requires requirements that the trading price of its listed stocks remain above \$ 1.00 in order for the stock to remain listed. If a listed stock trades below \$ 1.00 for more than 30 consecutive trading days, then it is subject to delisting from the Nasdaq Capital Market. In addition, to maintain a listing on the Nasdaq Capital Market, we are unable to must satisfy minimum financial and other continued listing standards, including those regarding minimum stockholders’ equity, minimum publicly available shares, director independence and independent committee requirements and other corporate governance requirements. We recently regained -- regain compliance with Nasdaq’s listing standards requirements, our securities could be delisted, which could affect our common stock’s market price and liquidity and reduce our ability to raise capital. On October 24, 2023, we received a letter from the Listing Qualifications Staff of Nasdaq indicating that, based on the closing bid price of our common stock for 30 consecutive business days, we no longer meet Nasdaq Listing Rule 5550 (a) (2), which requires listed companies to maintain a minimum bid price of at least \$ 1 per share (the “ Bid Price Rule ”). The Nasdaq Listing Rules provide a compliance period of 180 calendar days, or until April 22, 2024, in which to regain compliance with the Bid Price Rule. If we evidence a closing bid price of at least \$ 1 per share for a minimum of 10 consecutive business days during the 180- day compliance period, we will automatically regain compliance. If we fail to regain compliance with the Bid Price Rule, Nasdaq will provide notice that our common stock will be subject to delisting. We would then be entitled to appeal that determination to a Nasdaq hearings panel. In addition, the Nasdaq Capital Market’s continue continued to monitor listing standards for our compliance with common stock require, among the other things, that we maintain either (i) stockholders’ equity requirement of \$ 2 . If 5 million , at the time we file (ii) market value of listed securities of \$ 35 million our -- or report (iii) net income from continuing operations of \$ 500, 000 in the most recently completed fiscal year for -- or in two of the last the three quarter ending March most recently completed fiscal years. As of the December 31, 2023, our we do not evidence compliance with the stockholders’ equity requirement was below \$ 2. 5 million , and we had not achieved the net income standard to date. As of March 25, 2024, based on the price of our common stock , we also do not meet the market value standard required for continued listing on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550 (b) (2). We cannot assure you that we will be able to regain compliance with Nasdaq listing standards. Our failure to meet these requirements would result in our common stock being delisted from Nasdaq, and traded-if our common stock is delisted, our warrants will also be delisted subject to delisting. We and holders of our securities 23If we are unable to satisfy these standards, we could be subject materially adversely impacted if our securities are delisted from Nasdaq. In particular: · we may be unable to delisting-raise equity capital on acceptable terms or at all; · we may lose the confidence of our customers , which would have a negative effect on jeopardize our~~ **We are currently no** **not in compliance** **assurances** that we will be able to comply with the **Nasdaq** continued listing standards of the Nasdaq Capital Market, a failure of which could result in a delisting of our common stock and certain warrants. The Nasdaq Capital Market requires **requirements** that the trading price of its listed stocks remain above \$ 1.00 in order for the stock to remain listed. If a listed stock trades below \$ 1.00 for more than 30 consecutive trading days, then it is subject to delisting from the Nasdaq Capital Market. In addition, to maintain a listing on the Nasdaq Capital Market, we **are unable to** must satisfy minimum financial and other continued listing standards, including those regarding minimum stockholders’ equity, minimum publicly available shares, director independence and independent committee requirements and other corporate governance requirements. We recently regained -- **regain** compliance with Nasdaq’s listing standards **requirements** , our securities could be delisted, which could affect our common stock’s market price and liquidity and reduce our ability to raise capital. On October 24, 2023, we received a letter from the Listing Qualifications Staff of Nasdaq indicating that, based on the closing bid price of our common stock for 30 consecutive business days, we no longer meet Nasdaq Listing Rule 5550 (a) (2), which requires listed companies to maintain a minimum bid price of at least \$ 1 per share (the “ Bid Price Rule ”). The Nasdaq Listing Rules provide a compliance period of 180 calendar days, or until April 22, 2024, in which to regain compliance with the Bid Price Rule. If we evidence a closing bid price of at least \$ 1 per share for a minimum of 10 consecutive business days during the 180- day compliance period, we will automatically regain compliance. If we fail to regain compliance with the Bid Price Rule, Nasdaq will provide notice that our common stock will be subject to delisting. We would then be entitled to appeal that determination to a Nasdaq hearings panel. In addition, the Nasdaq Capital Market’s continue continued to monitor listing standards for our compliance with common stock require, among the other things, that we maintain either (i) stockholders’ equity requirement of \$ 2 . If 5 million , at the time we file (ii) market value of listed securities of \$ 35 million our -- or report (iii) net income from continuing operations of \$ 500, 000 in the most recently completed fiscal year for -- or in two of the last the three quarter ending March most recently completed fiscal years. As of the December 31, 2023, our we do not evidence compliance with the stockholders’ equity requirement was below \$ 2. 5 million , and we had not achieved the net income standard to date. As of March 25, 2024, based on the price of our common stock , we also do not meet the market value standard required for continued listing on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550 (b) (2). We cannot assure you that we will be able to regain compliance with Nasdaq listing standards. Our failure to meet these requirements would result in our common stock being delisted from Nasdaq, and traded-if our common stock is delisted, our warrants will also be delisted subject to delisting. We and holders of our securities ²³If we are unable to satisfy these standards, we could be subject materially adversely impacted if our securities are delisted from Nasdaq. In particular: · we may be unable to delisting-raise equity capital on acceptable terms or at all; · we may lose the confidence of our customers , which would have a negative effect on jeopardize our

ability to continue our business as currently conducted; · the price of our common stock will likely decrease as a result of the loss of market efficiencies associated with Nasdaq and warrants and would impair your ability the loss of federal preemption of state securities laws; · holders may be unable to sell or purchase our securities when they wish to do so; · we may become subject to stockholder litigation; · we may lose the interest of institutional investors in our common stock; · we may lose media and analyst coverage; · or our warrants when common stock could be considered a “ penny stock, ” which would likely limit the level of trading activity in the secondary market for our common stock; and · we would likely lose any active trading market for our common stock, as it may only be traded on one of the over- the- counter markets, if at all. 27 We cannot assure you that wish to do so. In the event Reverse Stock Split will increase the price of a delisting, we would expect to take actions to restore our common stock. We held a special meeting of our stockholders at which our stockholders approved an amendment to our certificate of incorporation to effect a reverse stock split of our common stock in a range of 1- for- 5 to 1- for- 50, at the discretion of the Board (the “ Reverse Stock Split ”). We may need to effect the Reverse Stock Split to regain compliance with the Bid Price Rule. We expect that the Reverse Stock Split, if effected, will increase the market price of our common stock. However, the effect of the Reverse Stock Split on the market price of our common stock cannot be predicted with any certainty, and the history of reverse stock splits for other companies of similar size to us is varied, particularly because investors may view a reverse stock split negatively. It is possible that the per share price of our common stock after the Reverse Stock Split will not increase in the same proportion as the reduction in the number of outstanding shares of common stock following the Reverse Stock Split, and the Reverse Stock Split may not result in a per share price that would attract investors who do not trade in lower- priced securities. In addition, we cannot assure you that our common stock will be more attractive to investors. Even if we implement the Reverse Stock Split, the market price of our common stock may decrease due to factors unrelated to the Reverse Stock Split, including our future performance, similar to our prior reverse stock split. If the Reverse Stock Split is consummated and the trading price of our common stock declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of the Reverse Stock Split. The Reverse Stock Split may decrease the liquidity of our common stock and result in higher transaction costs. The Reverse Stock Split may decrease the liquidity of our common stock because fewer shares would be outstanding after the Reverse Stock Split. In addition, if the Board implements the Reverse Stock Split, more stockholders may own “ odd lots ” of fewer than 100 shares of common stock, which may be more difficult to sell. Brokerage commissions and other costs of transactions in odd lots are generally higher than the costs of transactions of more than 100 shares or multiples of 100 shares of common stock. Accordingly, the Reverse Stock Split may not achieve the desired results of increasing marketability of the common stock as described above. If the Reverse Stock Split is effected, the resulting per- share market price may not attract institutional investors or investment funds and may not satisfy the listing- investing standards guidelines of such investors and, but we consequently, the trading liquidity of our common stock may not improve. While the Board believes that a higher stock price may help generate investor interest, there can provide be no assurance that any action we take to restore the Reverse Stock Split will result in a per- share market price that will attract institutional investors our- or compliance would allow investment funds or that such share price will satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of our common stock or warrants to become listed again, stabilize may not necessarily improve. A decline in the market price or improve the liquidity of our common stock, prevent after the Reverse Stock Split is effected may result in a greater percentage decline than would occur in the absence of the Reverse Stock Split. If the Reverse Stock Split is approved and effected and the market price of our common stock declines, from dropping below the minimum bid percentage decline may be greater than would occur in the absence of the Reverse Stock Split. The market price of requirement, or our prevent future noncompliance with common stock will, however, also be based upon our performance and the other listing requirements factors, which are unrelated to the number of shares of common stock outstanding. We are an “ emerging growth company, ” as defined in the JOBS Act, and a “ smaller reporting company ” within the meaning of the Securities Act of 1933, as amended (the “ Securities Act ”), and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies or smaller reporting companies will 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 (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved, and (4) an extended transition period for complying with new or revised accounting standards applicable to public companies. Additionally, we may take advantage of certain reduced disclosure obligations as a “ smaller reporting company ” as defined in Item 10 (f) (1) of Regulation S- K. To the extent we take advantage of such reduced disclosure obligations, it may also make the comparison of our financial statements with other public companies difficult or impossible. After we are no longer an “ emerging growth company, ” we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. We have not and do not expect to declare any dividends on our common stock in the foreseeable future. We have not and do not anticipate declaring any cash dividends on our common stock in the foreseeable future. Therefore, you should not rely on an investment in our common stock as a source for any future dividend income. There is no guarantee that our common stock will appreciate in value or even maintain its current market price. You may not realize a return on your investment in our common

stock and you may even lose your entire investment in our common stock. ~~We~~²⁸~~We~~ may seek to raise funds, finance acquisitions or develop strategic relationships in the future by issuing securities that would dilute your ownership. Depending on the terms available to us, if these activities result in significant dilution, it may negatively impact the trading price of our common stock. Any financing that we secure may require the granting of rights, preferences or privileges senior to, or pari passu with, those of our common stock. Any issuances by us of equity securities may be at or below the prevailing market price of our common stock and in any event may have a dilutive impact on your ownership interest, which could cause the market price of our common stock to decline. We may also raise additional funds through the incurrence of debt or the issuance or sale of other securities or instruments senior to our shares of common stock, which may be highly dilutive. The holders of any securities or instruments we may issue may have rights superior to the rights of our common stockholders. If we experience dilution from the issuance of additional securities and we grant superior rights to new securities over holders of our common stock, it may negatively impact the trading price of our common stock and you may lose all or part of your investment. ~~24~~~~Provisions~~--

Provisions in our certificate of incorporation, bylaws, and outstanding equity-linked securities could discourage a change in control, or an acquisition of us by a third party, even if the acquisition would be favorable to you, thereby adversely affecting existing stockholders. Our certificate of incorporation and bylaws contain provisions that may have the effect of making more difficult or delaying attempts by others to obtain control of our Company, even when these attempts may be in the best interests of our stockholders. For example, our certificate of incorporation authorizes our Board ~~of Directors~~, without stockholder approval, to issue one or more series of preferred stock, which could have voting and conversion rights that adversely affect or dilute the voting power of the holders of common stock. In addition, provisions of certain of our outstanding warrants could make it more difficult or expensive for a third party to acquire us. The warrants prohibit us from engaging in certain transactions constituting “ fundamental transactions ” unless, among other things, the surviving entity assumes our obligations under the warrants. These provisions and others that could be adopted in the future could deter unsolicited takeovers or delay or prevent changes in our control or management, including transactions in which stockholders might otherwise receive a premium for their shares over then- current market prices. These provisions may also limit the ability of stockholders to approve transactions that they may deem to be in their best interests. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as 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 increase the stockholder’ s costs in bringing such a claim. Our certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers, or other employee to us or to our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, the certificate of incorporation or the bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above. This provision may have the effect of discouraging lawsuits against our directors, officers, employees and agents as it may limit any stockholder’ s ability to bring a claim in a judicial forum that the stockholder finds favorable for disputes with us or our directors, officers, employees or agents or increase the stockholder’ s costs in bringing such a claim. The enforceability of similar choice of forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provision contained in our certificate 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, financial condition or results of operations. General Risk Factors A prolonged economic downturn could adversely affect our business. Uncertain global economic conditions could adversely affect our business. Negative global and national economic trends, such as decreased consumer and business spending, high inflation, ~~rising~~^{changing} interest rates, high unemployment levels and declining consumer and business confidence, pose challenges to our business and could result in declining revenue, profitability and cash flow. Unfavorable economic conditions may negatively affect demand for our products. ~~25~~~~Increases~~-- **Increases** in costs, disruption of supply or shortage of raw materials could harm our business. We may experience increases in the cost or a sustained interruption in the supply or shortage of raw materials. For example, the tariffs currently imposed for importing goods from China has significantly increased. Any such an increase or supply interruption could materially negatively impact our business, prospects, financial condition and operating results. We use various raw materials in our business including aluminum. The prices for these raw materials fluctuate depending on market conditions and global demand for these materials and could adversely affect our business and operating results. Substantial increases in the prices for our raw materials increase our operating costs ~~7~~ and could reduce our margins if we cannot recoup the increased costs through increased prices for our products and services. ~~Litigation~~²⁹**Litigation or regulatory actions** may adversely affect our business, financial condition and results of operations. From time to time in the normal course of our business operations, we may become subject to litigation involving intellectual property, data privacy and security, consumer protection, food safety, commercial disputes and other matters that may negatively affect our operating results if changes to our business operation are required. We may also be subject to claims involving health and safety, hazardous materials usage, other environmental impacts, or service disruptions or failures. **In addition, we may be subject to regulatory actions. For example, all Employee Retention Credit (“ ERC ”) claims, which can be made in a variety of circumstances with varying degrees of subjectivity and without clear authoritative guidance, are subject to inspection and reversal by the Internal Revenue Service (“ IRS ”). Although we received approximately \$ 865 thousand in ERC funds during the year ended December 31, 2023, we**

have received no formal determination regarding our claims for the ERC. If we were found to be ineligible for the ERC, the IRS could reverse the ERC credits and charge a penalty and interest on the funds we received. There can be no assurance that we will be able to retain the ERC funds we have received to date. The cost to defend **such any** litigation **or regulatory action** may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may adversely affect our business, financial condition and results of operations. In addition, insurance may not cover existing or future claims, be sufficient to fully compensate us for one or more of such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby adversely affecting our results of operations and resulting in a reduction in the trading price of our stock. ~~We are currently party to an action for an alleged breach of contract with a former contract grower. See “Business — Legal Proceedings” for more information. If we settle this claim or the action is not resolved in our favor, we may suffer reputational damage and incur legal costs, settlements or judgments that exceed the amounts covered by our existing insurance policies. We can provide no assurances that our insurer will insure the legal costs, settlements or judgments we incur in excess of our deductible. If we are unsuccessful in defending ourselves from this claim or if our insurer does not insure us against legal costs we incur in excess of our deductible, the result may materially adversely affect our business, results of operations and financial condition.~~ An active, liquid and orderly trading market for our common stock may not develop, the price of our stock is volatile, and you could lose all or part of your investment. Even though our common stock is currently listed on Nasdaq, we cannot predict the extent to which investor interest in our company will lead to the development of an active trading market in our securities or how liquid that market might become. If such a market does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at the time you wish to sell them, at a price that is attractive to you, or at all. There could be extreme fluctuations in the price of our common stock because there are a limited number of shares in our public float. The trading price of our common stock has been highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Our stock price is subject to wide fluctuations in response to a variety of factors, which include: · whether we achieve our anticipated corporate objectives; · actual or anticipated fluctuations in our quarterly or annual operating results; · changes in our financial or operational estimates; · our ability to implement our operational plans; · changes in the economic performance or market valuations of companies similar to ours; and · general economic or political conditions in the United States or elsewhere. **26** **In** addition, broad market and industry factors may seriously affect the market price of our common stock, regardless of actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company’ s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management’ s attention and resources. We will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our operating results. As a public company, we will continue to incur significant legal, accounting and other expenses that are not incurred by private companies, including costs associated with public company reporting and corporate governance requirements. These requirements include compliance with Section 404 and other provisions of the Sarbanes- Oxley Act, as well as rules implemented by the ~~Securities and Exchange Commission (“SEC ”)~~ and Nasdaq. Complying with these rules and regulations substantially increases our legal and financial compliance costs and makes some activities more time- consuming and costly than if we were a private company. As a public company, it is more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage year- over- year. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our ~~board~~ **Board of directors** or as our executive officers. The increased costs associated with operating as a public company will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business or increase the prices of our products or services. Additionally, if these requirements divert our management’ s attention from other business concerns, they could have a material adverse effect on our business, financial condition and operating results. ~~As a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock. We are required, pursuant to Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on the effectiveness of our internal control over financial reporting with our annual report for the year ending December 31, 2023. This assessment needs to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We are in the early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to remediate future material weaknesses, or to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on the price of our common stock.~~ If we were to dissolve, the holders of our securities may lose all or substantial amounts of their investments. If we were to dissolve as a corporation, as part of ceasing to do business or otherwise, we will be required to pay all amounts owed to any creditors before distributing any assets to holders of our capital stock. There is a risk that in the event of such a dissolution, there will be insufficient funds to repay amounts owed to holders of any of our indebtedness and insufficient assets to distribute to our capital **stockholders** ~~stock holders~~, in which case our stockholders could lose their entire investment. If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if

they change their recommendations regarding our securities adversely, our stock and warrant prices and trading volume could decline. The trading market for our common stock is influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, our stock and warrant prices would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock and warrant prices or trading volume to decline. ~~27~~ **30**