

Risk Factors Comparison 2025-04-08 to 2024-04-24 Form: 10-K

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

Risks Related to our Business We have a limited history of profitability. Since inception on February 22, 2010 and through January 31, ~~2024~~**2025**, we have raised approximately \$ 23. 3 million in capital. During this same period, we have recorded net ~~profit accumulated losses~~ totaling approximately \$ ~~3-0. 5-2~~ million. As of January 31, ~~2024~~**2025**, we had working capital of approximately \$ ~~6-4. 9~~ million. Our net income for the ~~two-three~~ most recent fiscal years ended January 31, ~~2025~~**2025**, ~~2024~~**and January 31, and** 2023 has been approximately \$ ~~3. 7 million, \$ 6. 6 million, and \$ 2. 3 million~~, respectively. Our ability to achieve continued profitability depends upon many factors, including our ability to develop and commercialize products. There can be no assurance that we will be able to achieve growth and profitability consistent with historical performance. We may need additional capital, which may be difficult to raise for a variety of reasons. While we believe that we have adequate financing to execute our current growth plan, in the case that we exceed our expected growth, we will need to raise additional capital and / or significantly cut expenses and overhead in order to operate the business through such date. Currently, we have no plan to raise additional capital, and our access to funding is always uncertain. There is no assurance that additional equity or debt financing will be available to us when needed, on acceptable terms or even at all. In the event that we are not able to secure financing, we may have to scale back our development plans or operations. The majority of our business depends on a limited number of principal customers. Because we depend on a limited number of customers for a significant portion of our sales, a loss of a small number of these customers could materially adversely affect our business and financial condition. During the ~~twelve months~~**year ended January 31, 2025, the Company earned revenues from one customer representing approximately 44 % of gross sales. As of January 31, 2025, two customers represented approximately 38 % and 16 % of total gross outstanding receivables, respectively. During the year** ended January 31, 2024, the Company earned revenues from three customers representing approximately 26 %, 11 %, and 10 % of gross sales **, respectively**. As of January 31, 2024, four customers represented approximately 20 %, 15 %, 13 % ~~and 10 % of total gross outstanding receivables, respectively~~. During the ~~year~~**twelve months** ended January 31, 2023 ~~, the Company earned revenues from two customers representing approximately 25 % and 13 % of gross sales~~ **As of January 31, respectively 2023, three customers represented approximately 20 %, 15 % and 11 % of total gross outstanding receivables**. If these principal customers cease ordering products from us, our business could be materially adversely affected. Competitive product and pricing pressures in the food industry and the financial condition of customers and suppliers could adversely affect our ability to gain or maintain market share and / or profitability. We currently operate in the highly competitive food industry, competing with other companies that have varying abilities to withstand changing market conditions. Any significant change in our relationship with a major customer, including changes in product prices, sales volume, or contractual terms may impact financial results. Such changes may result because our competitors may have substantial financial, marketing, and other resources that may change the competitive environment. If we are unable to establish economies of scale, marketing expertise, product innovation, and category leadership positions to respond to changing market trends, or ~~if we are unable to~~ increase prices while maintaining a customer base, our profitability and volume growth could be impacted in a materially adverse way. The success of our business depends, in part, upon the financial strength and viability of our suppliers and customers. The financial condition of those suppliers and customers is affected in large part by conditions and events that are beyond our control. A significant deterioration of their financial condition would adversely affect our financial results. We face competition from companies who produce similar products and other prepared foods, many of whom have longer operating histories or ~~who~~ have substantially more financial resources. Many of our competitors have been in business for a significantly longer period of time than we have and have learned manufacturing techniques which can aid in efficiently producing their products. Additionally, many of these companies have successfully acquired a loyal customer base that would be difficult for us to compete with. Such customers may be unwilling to purchase our products due to brand loyalty or uncertainty in the highly competitive market in which we compete. In addition, if we gain traction in our particular niche of creating gourmet prepared foods, major food companies with substantial marketing and financial resources may attempt to compete more directly with us. In the event that such large companies do directly compete with us, our business may be adversely affected. Our operations are subject to regulation by the U. S. Food and Drug Administration (“ FDA ”), U. S. Department of Agriculture (“ USDA ”), Federal Trade Commission (“ FTC ”) and other governmental entities and such regulations are subject to change from time to time, which could impact how we manage our production and sale of products. Federal budget cuts could result in furloughs for government employees, including inspectors and reviewers for our suppliers' plants and products, which could materially impact our ability to manufacture regulated products. Our food products ~~, which~~ are manufactured in facilities that are subject to extensive regulation by the FDA, the USDA and other national, state, and local authorities. For example, we are subject to the Food, Drug and Cosmetic Act and regulations promulgated thereunder by the FDA. This comprehensive regulatory program governs, among other things, the manufacturing, composition and ingredients, packaging, and safety of food. Under this program, the FDA regulates manufacturing practices for foods through, among other things, its current “ good manufacturing practices ” regulations, or GMPs, and specifies the recipes for certain foods. Specifically, the USDA defines “ all- natural ” as a product that contains no artificial ingredients, coloring ingredients or chemical preservatives and is minimally processed. Many of our ~~Mama Mancini~~**Mama Mancini** 's products were submitted to the USDA and approved as “ all- natural. ” However, should the USDA change its definition of “ all- natural ” at some point in the future, or should the Company change these existing recipes to include ingredients that do not meet the USDA ' s definition of “ all- natural, ” we may need to change our labeling and our results of

operations could be adversely affected. The FTC and other authorities regulate how we market and advertise our products, and we could be the target of claims relating to alleged false or deceptive advertising under federal and state laws and regulations. Changes in these laws or regulations or the introduction of new laws or regulations could increase the costs of doing business for us or our customers or suppliers or restrict our actions, causing our results of operations to be adversely affected. The need for and effect of product recalls could have a material adverse impact on our business. **If any of our products become misbranded due to labeling, contamination, damage, or tampering, whether caused by us or someone in or our adulterated, we may need to conduct the cost of a recall or withdrawal, the destruction of inventory, potential liability claims, and lost sales. The costs associated with recalls could be impacted by issues encountered in tracing products within our facilities or in the supply chain. In addition, a product recall or withdrawal could also result in adverse publicity and a loss of confidence in our products, which could have a material impact on our business. In addition, we purchase ingredients from third-party suppliers. If these materials include contaminants that impact the safety or quality of our products, we may need to find alternate materials, delay production, or dispose of our inventory, which could impact our operations. Additionally, if this occurs after the product has been distributed, we may need to withdraw or recall could result in significant costs incurred as a result of the affected recall, potential destruction of inventory, and lost sales. Should consumption of any product cause injury and /or illness, we also may be subject to liable for monetary damages as a result of one or more product liability judgments claims. We cannot assure that we will not be required to perform recalls, or that liability claims will not be asserted** against us. A significant product recall or product liability case could cause a loss of consumer confidence in our food products and could have a material adverse effect on the **future** value of our brand, results of operations and prospects. We may be subject to significant liability if the consumption of any of our products causes illness or physical harm. The sale of food products for human consumption involves the risk of injury or illness to consumers. Such injuries or illness may result from inadvertent mislabeling, tampering or product contamination or spoilage. Under certain circumstances, we may be required to recall or withdraw products, which may have a material adverse effect on our business. Even if a situation does not necessitate a recall or market withdrawal, product liability claims may be asserted against us. If the consumption of any of our products causes, or is alleged to have caused, a health-related illness, we may become 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 physical harm could adversely affect our reputation with existing and potential distributors, retailers and consumers and our corporate image and brand equity. Moreover, claims or liabilities of this sort might not be covered by insurance or by any rights of indemnity or contribution that we may have against others. A product liability judgment against us or a product recall or market withdrawal could have a material adverse effect on our business, reputation and operating results. The impact of various food safety issues, environmental, legal, tax, and other regulations and related developments could adversely affect our sales and profitability. Our products are subject to numerous food safety and other laws and regulations regarding the manufacturing, marketing, and distribution of food products, particularly **by** the USDA and state and local agencies. These regulations govern matters such as ingredients, advertising, taxation, relations with distributors and retailers, health and safety matters, and environmental concerns. The ineffectiveness of our manufacturer's planning and policies with respect to these matters, and the need to comply with new or revised laws or regulations with regard to licensing requirements, trade and pricing practices, environmental permitting, or other food or safety matters, or new interpretations or enforcement of existing laws and regulations, as well as any related litigation, may have a material adverse effect on our sales and profitability. Increases in the cost and restrictions on the availability of raw materials could adversely affect our financial results. Our products include agricultural commodities such as tomatoes, onions, **and poultry,** meats and other items such as spices and flour, as well as packaging materials such as plastic, metal, paper, fiberboard, and other materials and inputs such as water, in order to manufacture products. The availability or cost of such commodities may fluctuate widely due to government policy and regulation, crop failures or shortages due to plant disease or insect and other pest infestation, weather conditions, potential impact of climate change, increased demand for biofuels, or other unforeseen circumstances. To the extent that any of the foregoing or other unknown factors increase the prices of such commodities or materials and we are unable to increase our prices or adequately hedge against such changes in a manner that offsets such changes, the results of our operations could be materially and adversely affected. Similarly, if supplier arrangements and relationships result in increased and unforeseen expenses, our financial results could be materially and adversely impacted. Disruption of our supply chain could adversely affect our business. Damage or disruption to our manufacturing or distribution capabilities due to weather, natural disaster, fire, terrorism, pandemic, strikes, the financial and / or operational instability of key suppliers, distributors, warehousing and transportation providers, or brokers, or **any** other reasons could impair our ability to manufacture or sell our products. To the extent that we are unable to, or cannot financially mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single location, our business and results of operations may be materially adversely affected, and additional resources could be required to restore our supply chain. Higher energy costs and other factors affecting the cost of producing, transporting, and distributing our products could adversely affect our financial results. Rising fuel and energy costs may have a significant impact on our cost of operations, including the manufacture, transportation, and distribution of products. Fuel costs may fluctuate due to a number of factors outside of our control, including government policy and regulation and weather conditions. Additionally, we may be unable to maintain favorable arrangements with respect to the manufacturing costs of our products as a result of the rise in costs of procuring raw materials and transportation by our manufacturers. This may result in increased expenses and negatively affect operations. **If we fail to establish and maintain an effective system of internal control, we may not be able to report our financial results accurately or to prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and**

adversely impact the trading price of our common stock. During the course of testing our disclosure controls and procedures and internal control over financial reporting, we may identify and disclose material weaknesses or significant deficiencies in internal control over financial reporting that will have to be remedied. Implementing any appropriate changes to our internal control may require specific compliance training of our directors, officers and employees, entail substantial costs to modify our existing accounting systems, and take a significant period of time to complete. Such changes may not, however, be effective in maintaining the adequacy of our internal control over financial reporting, and any failure to maintain that adequacy or inability to produce accurate financial statements on a timely basis could result in our financial statements being unreliable, increase our operating costs and materially impair our ability to operate our business. Failure to achieve and maintain effective internal control over financial reporting could result in a loss of investor confidence in our financial reports and could have a material adverse effect on our stock price. Additionally, failure to maintain effective internal control over our financial reporting could result in government investigation or sanctions by regulatory authorities.

Global economic uncertainties continue to affect consumers' purchasing habits and customer financial stability, which may affect sales volume and profitability on some of our products and have other impacts that we cannot fully predict. As a result of continuing global economic uncertainties, price-conscious consumers may replace their purchases of our premium and value-added products with lower-cost alternatives, which could affect **may impact** the price and volume of some of these products. The volume or profitability of our products may be **impacted** ~~adversely affected~~ if consumers are reluctant to pay a premium for higher quality foods or if they replace purchases of our products with cheaper alternatives. Additionally, distributors and retailers may become more conservative in response to these conditions and seek to reduce their inventories. Our results of operations depend upon, among other things, our ability to maintain and increase sales volume with our existing distributors and retailers, to attract new consumers and to provide products that appeal to consumers at prices they are willing and able to pay. Prolonged unfavorable economic conditions may **impact** ~~have an adverse effect on~~ our sales and profitability. We rely on key personnel and, if we are unable to retain or, motivate key personnel, or hire qualified personnel, we may not be able to grow effectively. Our success depends in large part upon the abilities and continued service of our executive officers and other key employees, particularly Mr. Adam L. Michaels, our Chief Executive Officer and Chairman, and Anthony Gruber, our Chief Financial Officer. There can be no assurance that we will be able to retain the services of such officers and employees. Our failure to retain the services of our key personnel could have a materially adverse effect on our business. In order to support our projected growth, we will be required to effectively recruit, hire, train, and retain additional qualified management personnel. Our inability to attract and retain necessary personnel could have a materially adverse effect on our business.

~~A large proportion of our revenue is from a few key customers, and the loss of any key customer could cause a significant decline in our revenues. In fiscal year ended January 31, 2024, we had sales to three customers that comprised approximately 26 %, 11 %, and 10 %, respectively. The loss of any of these customers or any other significant customer, or the renewal of business on less favorable terms, would have a material adverse impact on our business and results of operations. Due to our customer concentration, if one or more of our major customers were to experience difficulties in fulfilling their obligations to us, cease doing business with us, significantly reduce the amount of their purchases from us, favor competitors or new entrants or change their purchasing patterns, our business may be harmed.~~

The failure of new product or packaging introductions to gain trade and consumer acceptance and address changes in consumer preferences could adversely affect our sales. Our success is dependent upon anticipating and reacting to changes in consumer preferences, including health and wellness. There are inherent marketplace risks associated with new product or packaging introductions, including uncertainties about trade and consumer acceptance. Moreover, success is dependent upon our ability to identify and respond to consumer trends through innovation. We may be required to increase expenditures for new product development, and there is no guarantee that we will be successful in developing new products or improving upon products already in existence. Additionally, our new products may not achieve consumer acceptance and could materially negatively impact sales. Changes in our promotional activities may impact, and may have a disproportionate effect on, our overall financial condition and results of operations. We offer a variety of sales and promotion incentives to our customers and to consumers, such as price discounts, consumer coupons, volume rebates, cooperative marketing programs, slotting fees, and in-store displays. Our net sales may periodically be influenced by the introduction and discontinuance of sales and promotion incentives. Reductions in overall sales and promotion incentives could impact our net sales and affect our results of operations in any particular fiscal quarter. We may not be able to successfully implement our growth strategy on a timely basis or at all. Our future success depends, in large part, on our ability to implement our growth strategy of expanding distribution and improving placement of our products, attracting new consumers to our brand and introducing new product lines and product extensions. Our ability to implement this growth strategy depends, among other things, on our ability to:

- enter into distribution and other strategic arrangements with third-party retailers and other potential distributors of our products;
- continue to compete in conventional grocery and mass merchandiser retail channels in addition to the natural and organic channel;
- secure shelf space in key supermarket locations;
- increase our brand awareness;
- expand and maintain brand loyalty; and
- develop new product lines and extensions.

We may not be able to successfully implement our growth strategy. Our sales and operating results will be adversely affected if we fail to implement our growth strategy or if we invest resources in a growth strategy that ultimately proves unsuccessful. We are currently selling products in **supermarkets food retailers** in the United States. If we are unable to expand into **additional** mass-market retailers or sell products in a greater number of supermarkets, we will fall short of our projections and our business and financial condition would be adversely affected. As a smaller supplier, we may not sell **in enough bulk items** in certain stores, and as such **as** our products may not be placed in the most ideal locations to catch the attention of end consumers. If we are unable to gain significant sales growth, our products may never be displayed in the most attractive locations in stores and our sales may suffer. We may be unable to successfully execute our identified growth strategies or other growth strategies that we determine to pursue. We currently have a limited corporate infrastructure. In order to pursue growth strategies, we will need to continue to build our infrastructure and operational capabilities. Our ability to do any of these successfully could be affected by

any one or more of the following factors: • our ability to raise substantial amounts of additional capital if needed to fund the implementation of our business plan; • our ability to execute our business strategy; • the ability of our products to achieve market acceptance; • our ability to manage the expansion of our operations and any acquisitions we may make, which could result in increased costs, high employee turnover or damage to customer relationships; • our ability to attract and retain qualified personnel; • our ability to manage our third- party relationships effectively; and • our ability to accurately predict and respond to the rapid market changes in our industry and the evolving demands of the markets we serve. Our failure to adequately address any one or more of the above factors could have a significant impact on our ability to implement our business plan and our ability to pursue other opportunities that arise. We may be unable to maintain quality control. Although we have entered into raw material supply agreements specifying certain minimum acceptable quality standards, there is no assurance that our current quality assurance procedures will be able to effectively monitor compliance. Additionally, in the event that we expand our operations and increase our output volume, including securing third- party manufacturers, there is no assurance that we will be able to adequately maintain quality controls or that our current manufacturing process is scalable. There may be **products-**
product liability and other legal claims. We currently carry product liability insurance. Although we believe that the amount of insurance coverage is sufficient for our operations, there is no assurance that the coverage will be adequate. Our brand and reputation may suffer from real or perceived issues involving the labeling and marketing of our products as “ natural. ” Although the FDA and USDA have each 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. The resulting uncertainty has led to consumer confusion, distrust and legal challenges. Plaintiffs have commenced legal actions against a number of food companies that market “ natural ” products, asserting false, misleading and deceptive advertising, and labeling claims. 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. Uncertainty as to the ingredients used in our products, regardless of the cause, may have a substantial and adverse effect on our brand and our business, results of operations and financial condition. Our finished goods inventory is located in a small number of warehouse facilities. Any damage or disruption at a storage facility would have an adverse effect on our business, results of operations and financial condition. Our finished goods inventory is located in a small number of warehouse facilities. A natural disaster, fire, power interruption, work stoppage, or other unanticipated catastrophic event at these facilities would significantly disrupt our ability to deliver our products and operate our business. If any material amount of our inventory were damaged, we would be unable to meet our contractual obligations and, as a result, our business, results of operations and financial condition would suffer. We may be unable to defend our intellectual property. Our business could be adversely affected if we are unable to adequately protect our intellectual property. Our current intellectual property consists of trade secret recipes and cooking processes for our products and trademarks. We rely on a combination of trademark, copyright and trade secret laws to establish and protect our proprietary rights. We will also use technical measures to protect our proprietary rights. We may, however, not be able to secure significant protection for service marks or trademarks that we obtain. Our inability to protect our intellectual property from others may impede our brand identity and could lead to consumer confusion. Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our services and brand. Our business is largely based upon our recipes, which are trade secrets and are not patentable. We may be unable to keep other companies from copying our recipes, or we may be subject to legal actions alleging intellectual property infringement, unfair competition or similar claims against us. Companies may have intellectual property rights covering aspects of our technologies or businesses. Defending ourselves against intellectual property infringement or similar claims would be expensive and would divert management’ s attention. Additionally, there is no assurance that we would be successful in defending ourselves against such claims. Cyberattacks impacting our computer networks or information technology systems could have an adverse impact on our business. Cyberattacks, including through the use of ransomware, denial of service attacks, malware, computer viruses, and other means for obtaining unauthorized access to or disrupting the operation of our computer networks or information technology systems and those of our suppliers and / or vendors, could have an adverse impact on our business. Cyberattacks may cause equipment failures, loss of information, as well as disruptions to our or our customers’ operations. Cyberattacks against companies have increased in frequency, scope, and potential harm in recent years. While, to date, we have not been subject to cyberattacks that, individually or in the aggregate, have been material to our operations, the preventive actions we take to reduce the risks associated with cyberattacks, including protection of our systems and networks, may be insufficient in the future. In addition, as our company grows in size, we may become more of a target for these types of attacks. Moreover, the rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks. The inability to operate or use our information technology systems or those of our suppliers or vendors, even for a limited period of time, may result in significant expenses and / or a loss of market share . **Damage to our reputation can adversely impact our business Maintaining a positive reputation is important to selling our products. Our reputation could in the future be adversely impacted by a variety of factors including: any failure by us, a business partner, or other actors in the supply chain to maintain our standards. Any failure or perception of a failure can result in damage to our reputation, which could in the future decrease demand for our products, thereby impacting our business. Political and social conditions can impact our business Political and social conditions in the United States of America could be difficult to predict, impacting our business. The results of elections, and other political conditions including: government shutdowns, wars and other military conflicts could impact how existing laws, regulations and government programs or policies are implemented and / or result in uncertainty as to how such laws and regulations may change, including environmental and climate change policies, taxes, tariffs, and governmental benefit programs. Increases in income tax rates, changes in income tax laws or**

disagreements with tax authorities may impact our financial performance. Increases in income tax rates or changes in tax laws, including how existing laws are interpreted, may impact our financial performance. For example, economic and political conditions in the United States may result in significant changes in tax legislation and regulation. We are subject to regular examinations by numerous taxing authorities with respect to income taxes. Pressure to increase tax revenues in locations where we operate may make resolving tax disputes more difficult and impact our financial performance.

Risks Related To Our Securities We currently have a limited trading volume, which can result in higher price volatility for, and reduced liquidity of, our common stock. Our shares of common stock traded on the OTCQB from 2013 to July 2021 and on the Nasdaq Capital Market from July 2021 to the present date. While we have upgraded our listing, historically there has been limited daily volume of trading in our common stock, which has limited the overall and perceived liquidity of our common stock on that market. A more active trading market for our shares may never develop or be sustained. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. The absence of an active trading market increases price volatility and reduces the liquidity of our common stock. As long as this condition continues, the sale of a significant number of shares of common stock at any particular time could be difficult to achieve at the market prices prevailing immediately before such shares are offered and, if an active market for our common stock does not develop, it may be difficult to sell shares without depressing the market price for the shares, or at all. In addition, in the event that an active trading market does not develop, the price of our common stock may not be a reliable indicator of the fair value of our common stock.

Furthermore, if our common stock ceases to be listed on the Nasdaq Capital Market or other national exchange, holders may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our common stock, and the market value of our common stock would likely decline. You may experience dilution of your ownership interest because of the future issuance of additional shares of our common stock and our preferred stock. In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue an aggregate of 270 million shares of capital stock, consisting of 20 million shares of preferred stock, par value \$ 0. 00001 per share and 250 million shares of common stock, par value \$ 0. 00001 per share. We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our common stock or other securities may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes or for other business purposes, including at a price (or exercise prices) below the price at which shares of our common stock are trading. If and when a larger trading market for our common stock develops, the market price of our common stock is still likely to be highly volatile and subject to wide fluctuations, and you may be unable to resell your shares at or above the price at which you acquired them. The market price of our common stock is likely to be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including, but not limited to: • variations in our revenue and operating expenses; • market conditions in our industry and the economy as a whole; • actual or expected changes in our growth rates or our competitors' growth rates; • announcements of innovations or new products or services by us or our competitors; • announcements by the government relating to regulations that govern our industry; • sales of our common stock or other securities by us or in the open market; and • changes in the market valuations of other comparable companies. In addition, if the market for food industry stocks or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our shares might also decline in reaction to events that affect other companies in our industry, even if these events do not directly affect us. Each of these factors, among others, could harm the value of your investment in our common stock. In the past, following periods of volatility in the market, securities class- action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management' s attention and resources, which could materially and adversely affect our business, operating results and financial condition. We do not expect to pay dividends. We have never declared or paid any cash dividends or distributions on our common stock. We currently intend to retain our future earnings, if any, to support operations and to finance expansion, and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future. The declaration, payment, and amount of any future dividends will be made at the discretion of the Board of Directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the Board of Directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend. If the Company does not pay dividends, the Company' s common stock may be less valuable because a return on an investor' s investment will only occur if the Company' s stock price appreciates. If securities or industry analysts do not publish research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline. The trading market for our common stock will be 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 stock adversely, or provide more favorable relative recommendations about our competitors, our stock price 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 price or trading volume to decline. ~~Failure~~ **We have identified**

material weaknesses in our internal control over financial reporting. If remediation of these material weaknesses is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations,

which may adversely impact investor confidence and, as a result, the value of our common stock. In connection with the preparation of our financial statements for the fiscal year ended January 31, 2025, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified generally relate to (1) inadequate segregation of duties between the IT and accounting functions, (2) not maintaining adequate support for authorization and approval of certain transactions recorded in the Company's IT systems, including those obtained through electronic data interface, and (3) inadequate documentation of review procedures, including those associated with level of precision, investigating and resolving outliers, and evaluating the completeness and accuracy of information produced by the entity, including those obtained from certain service organizations which require that complementary user entity controls are suitably designed and operating effectively. We may not be able to fully remediate the identified material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that the Company maintains effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis. We also may incur significant costs to execute various aspects of our remediation plan but cannot provide a reasonable estimate of such costs at this time. In the future, it is possible that additional material weaknesses or significant deficiencies may be identified that we may be unable to remedy before the requisite deadline for these reports. Our ability to comply with Section 404 of the Sarbanes-Oxley Act will depend on the effectiveness of our financial reporting and data systems and controls across the Company. Any weaknesses or deficiencies or any failure to implement new or improved controls, or difficulties encountered in the implementation or operation of these controls, Sarbanes-Oxley Act could have a harm our operating results and cause us to fail to meet our financial reporting obligations, or result in material misstatements in our consolidated financial statements, which could adversely impact our business and reduce our stock price. We may identify material weaknesses or significant deficiencies in our internal control over financial reporting. If we are unable to conclude that we have effective internal control over financial reporting that will, investors could lose confidence in our reported financial information, which could have to be remedied a material adverse effect on the trading price of our common shares. Implementing Failure to remedy any material weakness changes to our internal control may require specific compliance training of our employees and officers, involve significant costs, and / or take significant time to complete. Such changes may not, however, be effective in maintaining the adequacy of our internal control over financial reporting, or and any failure to implement or maintain other effective control systems required of public companies, that adequacy or inability to produce accurate financial statements on a timely basis could result in also restrict our future access to the capital markets financial statements being unreliable and increase our operating costs.