Risk Factors Comparison 2023-09-27 to 2022-09-28 Form: 10-K

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

Risks Relating to Our Business and Industry ~~The effects of health crises, including the COVID- 19 pandemic, have had and may continue to have an adverse impact on our business, operations and the markets and communities in which we, our partners and customers operate. As a result of the COVID- 19 pandemic, we have and may in the future experience disruptions that have adversely impacted our business, including: • We rely on third- party dealers, distributors and sales agents as our primary customers and distribution channels. These dealers, distributors and sales agents are often small businesses or sole proprietorships. Any restriction of, or disruption in, their ability to operate would adversely impact our business. • Approximately 40 % of our sales revenue depends on cross- border export of seed products from our primary production areas in the United States and Australia. We have experienced significant disruption in cross- border shipments due to reduced capacity of the global shipping network and quarantine measures. • Approximately 60 % of our sales revenue is from dealers and distributors in the United States and Australia. Disruption in shipments resulting from reduced capacity of the trucking and logistics network and quarantine measures have negatively impacted our business. • Our product revenue is predicated on our ability to timely fulfill customer orders, which depends in large part upon the consistent availability and operation of shipping and distribution networks operated by third parties. Farmers typically have a limited window during which they can plant seed, and their buying decisions can be shaped by actual or perceived disruptions in our distribution and supply channels. Any actual or perceived disruption in the distribution channel could alter customer buying decisions, prompting customers to delay or decrease their orders, which would negatively impact our sales revenue and could harm our reputation. • A significant portion of our sales are made in markets in which sales are otherwise sensitive to changes in local currency to US Dollar exchange rates. During the COVID- 19 pandemic, we have experienced increased foreign exchange rate volatility and currency devaluation in some of our markets outside the United States. Such volatility and disruption have impacted our customers and their ability to make timely payment on previously fulfilled orders. Any such effects on our customers' ability to pay would negatively impact our business and financial results. • Our sales cycle is highly seasonal, and the majority of our sales season activities for the United States and Australia are typically concentrated between March and June of each calendar year. Our sales efforts have historically involved significant in- person interaction with potential customers and distributors. Throughout the COVID- 19 pandemic, in part in response to the many stay- at- home, shelter- in- place and other quarantine measures implemented by national, state and local governments in our target markets, we shifted our sales activities to video conferencing and similar customer interaction models. We found these alternative approaches to generally be less effective than in- person sales efforts, we believe this has contributed to decreased sales and a negative impact on our business and financial results in prior periods. We have since resumed in- person marketing but may be unable to achieve the quality of interactions prior to the start of the pandemic due to the ongoing nature of the pandemic and adjustments in customer and distributor interactions. • We clean, process and package our seed products in multiple facilities in the United States and Australia. Any outbreak of COVID- 19 at one of our facilities could require us to close the facility until the outbreak is resolved. Any such closure could have a negative impact on our ability to meet customer orders. • We offer our customers payment terms generally less than one year from invoicing in alignment with the growing season. As a result of the current economic downturn associated with the COVID- 19 pandemic, our customers may be unable to repay their obligations to us when due, which could adversely affect our results and financial condition. • We have historically relied upon occasional sales of our debt and equity securities and borrowing under credit facilities from financial institutions, both in the United States and South Australia, to fund our operations. The adverse effects on our business and financial condition due to the COVID- 19 pandemic have negatively impacted our financing terms and our stock price. This, in turn, has negatively affected our ability to raise capital on terms acceptable to us, and therefore our liquidity. Negative impacts on our liquidity can restrict our ability to pay our obligations as they come due, including under our contracts with our growers. If we are unable to pay our growers in compliance with our contractual arrangements, we could suffer reputational harm, impaired relationships with our growers and a lack of future supply of our product. In addition, our failure to pay our growers, including as a result of our growers taking adverse action against us, could result in an event of default under our loan agreements. • We are subject to various affirmative and negative covenants in our loan agreements with our lenders. The effects of COVID- 19 on our business and financial condition have, in part, caused us to fall out of compliance with our financial covenants under our CIBC Bank USA, or CIBC, facility. As of June 15, 2022, we were out of compliance with a minimum liquidity requirement, which was waived by CIBC in September 2022. As of June 30, 2022 we were out of compliance with the total debt coverage ratio (calculated as the ratio of EBITDA to total debt payments) under our Conterra Agriculture Capital, LLC, or Conterra, loan which was waived by Conterra. In the future, we may fall out of compliance with one or more other covenants. If we are unable to secure a future waiver or negotiate an amendment to such loan agreements on reasonable terms, or at all, an event of default could occur, which would allow our lenders to accelerate our repayment obligations or enforce their other rights under our agreements with them. Any such default may also require us to seek additional or alternative financing, which may not be available on commercially reasonable terms or at all. If we are unable to access funds to repay our lenders, our lenders could take control of our pledged assets. Any of the foregoing events would negatively impact our financial condition and liquidity. We cannot guarantee that we will be able to comply with all of the covenants contained in the CIBC loan agreement in the future, or secure additional waivers if or when required. • Since early March 2020, we have taken temporary precautionary measures intended to help minimize the risk of COVID- 19 to our employees and their families, including temporarily allowing office and sales employees to work remotely. Further measures may be taken as the COVID- 19~~

~~outbreak continues. The measures taken now or in the future to contain the COVID- 19 pandemic could negatively affect our ability to recruit and engage new employees and contractors necessary to the successful operation of our business. The COVID- 19 pandemic continues to rapidly evolve. The extent to which COVID- 19 may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, stay- at- home or other similar orders and social distancing in the United States, Australia and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States, Australia and other countries to contain and treat the virus.~~ We need to raise additional capital in the future. If we are unsuccessful in attracting new capital, we may not be able to continue operations or may be forced to sell assets to do so. Alternatively, capital may not be available to us on favorable terms, or if at all. If available, financing terms may lead to significant dilution of our stockholders' equity. ~~We~~ **Excluding the gain recently recognized in relation to the Vision Bioenergy partnership, we** are not profitable and have had negative cash flow from operations for the last several years. To help fund our operations, we have in part relied on equity and debt financings. We will need to obtain additional funds to finance our operations in the future, and we could spend our available financial resources much faster than we currently expect. Our loan and security agreement with CIBC **Bank USA** , ~~and our~~ - **or** ~~secured promissory notes~~ **CIBC, which matures on August 31, 2024, our debt facilities** with ~~Conterra~~ **National Australia Bank Ltd.** , **or NAB** ~~both of which mature on December 23~~ , ~~2022,~~ **and our AgAmerica note all** contain various operating and financial covenants, and the COVID- 19 pandemic and other factors affecting our results of operations have increased the risk of our inability to comply with these covenants, which could result in acceleration of our repayment obligations and foreclosure on our pledged assets. In addition, these loan agreements contain cross- default provisions, such that certain defaults or breaches under any of our loan agreements may entitle CIBC or ~~Conterra~~ **NAB** to invoke default remedies. We were not in compliance with certain of these covenants **in the past** ~~as of June 30, 2021, December 31, 2021, and March 31, 2022, and June 30, 2022,~~ and were required to obtain waivers and / or amendments from CIBC **. The CIBC Loan Agreement as presently in effect requires us to meet minimum adjusted EBITDA levels on a quarterly basis. The NAB Finance Agreement includes** ~~and~~ - **an** ~~Conterra. As~~ **undertaking that requires us to maintain a net related entity position** of ~~June 15, 2022 we~~ **not more than USD $ 18. 5 million and meet specified annual interest cover ratios. We** were not in compliance with **the adjusted EBITDA covenant from per the** ~~a minimum liquidity requirement, which was waived by~~ CIBC **Loan Agreement and** ~~. In addition, we were not in compliance with certain covenants under~~ the ~~Conterra note~~ **interest cover ratio per the NAB Finance Agreement** as of June 30, ~~2022~~ **2023 , but** ~~and we were required to obtain~~ **obtained** ~~a waiver~~ **waivers** from ~~Conterra~~ **both lenders for such non- compliance** . ~~The~~ **While we obtained waivers from** CIBC **and NAB for** ~~loan agreement as presently in effect requires the~~ **these covenants, there can be** ~~Company to maintain minimum liquidity of~~ no ~~less than $ 1, 000, 000 at all times. We are actively pursuing refinancing of the CIBC loan facility and the Conterra loan, but we cannot assure~~ **assurance** ~~you that~~ we will be successful in ~~refinancing~~ **meeting our covenants** ~~our~~ - **or** ~~existing debt, raising additional capital,~~ securing future waivers and / or amendments from ~~CIBC, Conterra or~~ **our** ~~our other~~ lenders ~~, renewing or refinancing our existing debt, or securing new financing~~ . If we are unsuccessful in doing so, we may need to reduce the scope of our operations, repay amounts owing to our lenders, finance our cash needs through a combination of equity and debt financings, enter into collaborations, strategic alliances and licensing arrangements, delay payments to our growers, sell certain assets or divest certain operations. These factors raise substantial doubt regarding our ability to continue as a going concern. If we are required or desire to raise additional capital in the future, whether as a condition to loan refinancing or separately, such additional financing may not be available on favorable terms, or available at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest would be diluted and the terms of these securities could include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may be secured by all or a portion of our assets, and may be on terms less favorable than our existing loans. If we fail to obtain additional capital as and when required, such failure could have a material impact on our business, results of operations and financial condition. If we are required or desire to raise additional capital in the future, such additional financing may not be available on favorable terms, or available at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest could be diluted and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may be secured by all or a portion of our assets. If we fail to obtain additional capital as and when required, such failure could have a material impact on our business, results of operations and financial condition. In addition, as a result of the COVID- 19 pandemic and actions taken to slow its spread, **recent and potential future bank failures,** the ongoing military conflict between Russia and Ukraine, **the armed conflict in Sudan, actual or anticipated changes in interest rates and economic inflation,** and other factors beyond our control, the global credit and financial markets have **at times** experienced extreme volatility, including diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. It is possible that further deterioration in credit and financial markets and confidence in economic conditions will occur. If equity and credit markets deteriorate, it may affect our ability to raise equity capital, borrow on our existing facilities or make any additional necessary debt or equity financing more difficult to obtain, more costly and / or more dilutive. In addition, while we are currently in compliance with our loan agreements, our ability to comply with the terms of our loan agreements has been compromised and could result in an event of default. If an event of default were to occur, our lenders could accelerate our repayment obligations or enforce their other rights under our agreements with them. Any such default may also require us to seek additional or alternative financing, which may not be available on commercially reasonable terms or at all.

Our earnings can be negatively impacted by declining demand brought on by varying factors, many of which are out of our control. Demand for our seed depends upon a variety of factors, including end demand for the crops grown from the seed. For example, a severe downturn in the dairy industry could have a negative effect on sales of alfalfa hay, and as a result, the demand for our alfalfa seed in the U. S. market. In addition, demand for our products could decline because of other supply and quality issues or for any other reason, including products of competitors that might be considered superior by end users. A decline in demand for our products could have a material adverse effect on our business, results of operations and financial condition. Our earnings may also be sensitive to fluctuations in market prices for seed. Market prices for our seed can be impacted by factors such as the quality of the seed and the available supply, including whether lower- quality, lower- priced seed is available. Growing conditions, particularly weather conditions such as windstorms, floods, droughts and freezes, as well as diseases and pests and the adventitious presence of GMO, are primary factors influencing the quality and quantity of the seed and, therefore, the market price at which we can sell our seed to our customers. A decrease in the prices received for our products could have a material adverse effect on our business, results of operations and financial condition. Our earnings are vulnerable to cost increases. Future increase in costs, such as the costs of growing seed and shipping seed, could cause our margins and earnings to decline unless we are able to pass along the increased price of production to our customers. We may not be able to increase the price of our seed sufficiently to maintain our margins and earnings in the future. Our inventory of seed can be adversely affected by the market price being paid for other crops. Our seed production relies entirely on unaffiliated growers to grow our proprietary seed and to sell it to us at negotiated prices each year. Growers have a choice of what crops to plant. If a particular crop is paying a materially higher price than has been paid in the past, growers may decide to not grow our seed crops in favor of receiving a higher return from an alternative crop planted on the same acreage. If our growers decline to a significant degree to plant the acreage on which we rely, and if we cannot find other growers to plant the lost acreage, our inventory of seed could be insufficient to satisfy the needs of our customers unless we are able to procure the necessary additional seed in the market at prices we cannot control. If these circumstances occur, our business, results of operations and financial condition could materially decline. In addition, our customers could look to other suppliers for their seed if we cannot satisfy their requirements, and we may not be able to regain them as customers once our inventory levels have returned to normal. Adverse weather conditions, natural disasters, crop disease, pests and other natural conditions can impose significant costs and losses on our business. Our seed crops are vulnerable to adverse weather conditions, including windstorms, floods, drought and temperature extremes, which are common but difficult to predict. In addition, seed crops are vulnerable to crop disease and to pests, which may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. The weather also can affect the quality, volume and cost of seed produced for sale as well as demand and product mix. Seed yields can be higher or lower than planned, which could lead to higher inventory and related write- offs. In addition, climate change may increase the frequency or intensity of extreme weather such as storms, floods, heat waves, droughts and other events that could affect the quality, volume and cost of seed produced for sale as well as demand and product mix. Climate change may also affect the availability and suitability of arable land and contribute to unpredictable shifts in the average growing season and types of crops produced. **For example, in the year ended June 30, 2023, we experienced revenue declines due in part to a wet La Nina spring in Australia and overall flooding in Eastern Australia, which caused the harvest to be later and smaller than usual, and in the United States, we also experienced delayed plantings from cold temperatures.** Unfavorable growing conditions can reduce both crop size and quality. Although we **do** ~~no~~ **not** ~~longer~~ grow any of our seed directly, these factors can still impact us by potentially decreasing the quality and yields of our seed and reducing our available inventory. These factors can increase costs, decrease revenue and lead to additional charges to earnings, which may have a material adverse effect on our business, results of operations and financial condition **. We have entered into collaborative relationships for the development, marketing and production of wheat and camelina, and our future revenues may be substantially dependent on the success of these relationships. These collaborative relationships may not be successful, and we may be unable to realize any significant recurring commercial benefit from them. As part of our overall business strategy, we have entered into collaborative relationships that are intended to leverage our proprietary seed, germplasm and technology for the development, marketing and production of certain crops. For example, in December 2022 we formed a partnership with Trigall Genetics S. A., or Trigall Genetics, for the development and marketing of wheat varieties in Australia through Trigall Australia Pty Ltd, a newly formed Australian corporation, or Trigall Australia, in which we retain a 20 % ownership interest. In addition, in February 2023, we entered into a partnership with Equilon Enterprises LLC (dba Shell Oil Products US, or Shell), for the development and production of sustainable biofuel feedstocks through Vision Bioenergy Oilseeds LLC, an entity in which we retain a 34 % interest. We believe our future revenues may be substantially dependent on the success of these partnerships. Our partnership partners have primary responsibility for, and control over, the operations of these partnerships, including the development, marketing and production of the products on which they are focused. We have limited or no control over our partners' decisions, including the amount and timing of resources that they dedicate to such activities. If a partnership partner fails to successfully manage its respective partnership, the development, marketing and / or production of the applicable product may be delayed or may not occur at all. As a result, these collaborative efforts may not be as successful as we expect, or at all, and we may be unable to realize any significant recurring commercial benefit from them. This could have a material adverse effect on our business, results of operations, and financial condition, which in turn could result in a significant decline in the market price of our common stock. When we enter collaboration and partnership relationships, we are also subject to a number of other risks, including: • We may be obligated to make additional capital contributions and / or provide services in support of these partnerships, and we may face potential liability to our partners if we do not satisfy these obligations; • Our collaborators may not comply with applicable laws or regulatory guidelines, which could adversely impact the development or commercialization of the applicable product;**

• There could be disagreements regarding our agreements with our partners that delay or terminate the development, marketing and production of the products on which the partnership is focused, delay or eliminate potential payments to us under the applicable agreements or increase our costs under or outside of the agreements; • Our collaborators may not effectively allocate adequate resources, may have limited experience in a particular territory, or may generate unfavorable results; and • Our collaborators may not perform as expected, including with regard to making any required payments, and the agreements may not provide adequate protection or may not be effectively enforced. We or our collaborators might terminate our agreements in certain circumstances or amend the terms of our agreement, and investors and analysts may not view any termination or amendment as favorable . Because our seed business is highly seasonal, our revenue, cash flows from operations and operating results may fluctuate on a seasonal and quarterly basis. Our seed business is seasonal. The seasonal nature of our operations results in significant fluctuations in our working capital during the growing and selling cycles. We have experienced, and expect to continue to experience, significant variability in net sales, operating cash flows and net income (loss) on a quarterly basis. We have had a material concentration of revenue from a small group of customers that fluctuates, and the loss of any of these customers in any quarter could have a material adverse effect on our revenue. On a historical basis, we have experienced a material concentration of revenue from a small group of customers. This concentration fluctuates from quarter to quarter, depending on our customer' s specific requirements, which are themselves cyclical. However, in any particular quarter, we generally have a small group of customers that accounts for a substantial portion of that quarter' s revenue. Most of these customers are not contractually obligated to purchase seed from us. The loss of one or more of these customers on a quarterly basis, when taken year over year, could have a material adverse impact on our business, financial position, results of operations and operating cash flows. We could also suffer a material adverse effect from any losses arising from a major customer' s disputes regarding shipments, product quality or related matters, or from our inability to collect accounts receivable from any major customer. There are no assurances that we will be able to maintain our current customer relationships or that they will continue to purchase our seed in the current projected quantities. Any failure to do so may materially adversely impact our business. Because we depend on a core group of significant customers, our sales, cash flows from operations and results of operations may be negatively affected if our key customers reduce the amount of products they purchase from us. Although our customer concentration should decline as our product mix becomes more diverse, there is no assurance that we will be able to maintain the relationships with our major customers or that they will continue to purchase our seed in the quantities that we expect and rely upon. If we cannot do so, our results of operations could suffer. Because we do not grow the seed that we sell, we are completely dependent on our network of contract growers, and our sales, cash flows from operations and results of operations may be negatively affected if we are unable to maintain an adequate network of contract growers to supply our seed requirements. We do not directly grow any of the seed that we sell, and therefore, we are entirely dependent upon our network of growers. While we have some supply contracts with our growers of up to seven years in duration, many of our grower contracts cover only one year, which makes us particularly vulnerable to factors beyond our control. Events such as a shift in pricing caused by an increase in the value of commodity crops other than seed crops, increase in land prices, unexpected competition or reduced water availability could disrupt our supply chain. Any of these disruptions could limit the supply of seed that we obtain in any given year, adversely affecting supply and thereby lowering revenue. Such disruption could also damage our customer relationships and loyalty to us if we cannot supply the quantity of seed expected by them. In addition, if we are unable to maintain sufficient liquidity to pay our growers as payments come due, this could also damage our relationships with our growers and industry reputation, which could reduce the number of growers willing to contract with us, which could further harm our ability to supply the quantity of seed necessary to meet customer demand. Our ability to contract for sufficient acreage presents challenges. In order to increase revenue and earnings, we continue to need more production acreage. As we continue to increase the number of acres under contract and / or to move production into new geographical locations, we face challenges that can impede our ability to produce as much seed inventory as we have budgeted. For example, when we move production into new geographical locations, we may find it difficult to identify growers with the expertise to grow our seed crops, and we may not have sufficient company personnel available in such new locations to provide production advice on a timely basis. We also face increased competition for conventional seed acreage as the need for technology acres grows, which is further complicated by the field isolation issue relating to GMO crops that can reduce the amount of acreage available for conventional alfalfa seed crops. If we are unable to secure the acreage we need to meet our planned production for the crop year and are unable to purchase seed in the market, our results of operations could suffer, as would our reputation. A lack of availability of water in any of our production areas could impact our business. Adequate quantities and correct timing of the application of water are vital for most agriculture to thrive. Whether particular farms are experiencing water shortages depends, in large part, on their location. However, continuing drought conditions can threaten all farmland other than those properties with their own water sources. Foreign or domestic regulations regarding water usage and rights may also limit the availability of water. Although our current seed products are not water- intensive crops, the availability or the cost of water is a factor in the planting of the crops grown from our seed. Moreover, if the farmers and others who purchase our seed to grow crops cannot get an adequate supply of water, or if the cost of water makes it uneconomical for the farmers to grow the crops, we may not be able to sell our seed, which could have an adverse impact on our results of operations. We face intense competition, and our inability to compete effectively for any reason could adversely affect our business. Competition in the seed industry both domestically and internationally is intense, and we believe it is intensifying with industry consolidation. We face direct competition from other seed companies, including multinational agriculture companies, regional seed companies and small family- owned businesses, as well as subsidiaries or other affiliates of chemical, pharmaceutical and biotechnology companies, many of which have substantially greater resources than we do. These resources give our competitors greater operating flexibility that, in certain cases, may permit them to respond better or more quickly to changes in the industry or to introduce new products more quickly and with greater marketing support. Increased competition could result in lower profit margins, substantial pricing pressure, reduced market share and lower operating cash flows. **Additionally, data analytic tools and web- based new direct purchase models offer increased transparency and comparability, which increases price pressures.** Price competition, together with other forms of competition, could have a material adverse effect on our business, financial position, results of operations and operating cash flows. If we are unable to estimate our customers' future needs accurately and to match our production to the demand of our customers, our business, financial condition and results of operations may be adversely affected. We sell our seed primarily to dealers and distributors who, in turn, sell primarily to farmers who grow crops from the seed. Due to the nature of the seed industry, we normally produce seed according to our production plan before we sell and deliver seed to distributors and dealers. Our dealers and distributors generally make purchasing decisions for our products based on market prices, economic and weather conditions and other factors that we and our dealers and distributors may not be able to anticipate accurately in advance. If we fail to accurately estimate the volume and types of products sought by the end users and otherwise adequately manage production amounts, we may produce more seed than our dealers and distributors want, resulting in excess inventory levels. It may be difficult for us to dispose of all of our inventory on commercially reasonable terms, or at all. Also, retention of excess inventory over extended periods of time increases the risk that certain inventory lots may deteriorate in quality and germination rates. If we determine that the value of our inventories exceeds the market value of product that we reasonably believe we can sell, we may need to record an impairment charge for a portion of our inventory in one or more fiscal periods. For example, our cost of revenue for the years ended June 30, **2023 and** 2022 ~~and 2021~~ included inventory write- downs of $ **2. 8 million and $** 6 ~~. 4 million and $ 1~~ . 4 million, respectively, related to certain inventory lots that deteriorated or were expected to deteriorate in quality and germination rates. Any such impairment charge or any failure to sell inventory on commercially reasonable terms could have a material adverse effect on our business, financial position, results of operations and operating cash flows. On the other hand, if we underestimate demand, we may not be able to satisfy our dealers and distributors' demand for seed, and thus damage our customer relations and end- user loyalty. Our failure to estimate end users' future needs and to match our production to the demand of our customers may adversely affect our business, financial condition and results of operations. Our third- party distributors may not effectively distribute our products. We depend in part on third- party distributors and strategic relationships for the marketing and selling of our products. We depend on these distributors' efforts to market our products, yet we are unable to control their efforts completely. In addition, we are unable to ensure that our distributors comply with all applicable laws regarding the sale of our products, including the United States Foreign Corrupt Practices Act of 1977, as amended. If our distributors fail to effectively market and sell our products, and in full compliance with applicable laws, our operating results and business may suffer. We extend credit to our international customers, which exposes us to the difficulties of collecting our receivables in foreign jurisdictions if those customers fail to pay us. Although our payment terms for export seed sales often are prepaid, documentary collections or secured by a letter of credit, we do extend credit of up to 180 days to some of our international customers. Sales of our seed to international customers represented a material portion of our revenue in historical periods and we expect that we will continue to extend credit in connection with future sales. Because these customers are located in foreign countries, collection efforts, were they to become necessary, could be much more difficult and expensive than pursuing similar claims in the United States. Moreover, future political and / or economic factors, as well as future unanticipated trade regulations, could negatively impact our ability to timely collect outstanding receivables from these important customers. The extension of credit to our international customers exposes us to the risk that our seed will be delivered but that we may not receive all or a portion of the payment therefor. If these customers are unable or unwilling to fully pay for the seed they purchase on credit, our results of operations and financial condition could be materially negatively impacted. Moreover, our internal forecasts on which we make business decisions throughout the year could be severely compromised, which could, in turn, mean that we spend capital for operations, investment or otherwise that we would not have spent had we been aware that the customer would not honor its credit extension obligation. Our current reliance on the seed development and production business does not permit us to spread our business risks among different business segments, and thus a disruption in our seed production or the industry would harm us more immediately and directly than if we were more diversified. We currently operate primarily in the agricultural seed business, and we do not expect this to change materially in the foreseeable future. Without business line diversity, we will not be able to spread the risk of our operations. Therefore, our business opportunities, revenue and income could be more immediately and directly affected by disruptions from such things as drought and disease or widespread problems affecting the alfalfa, sorghum, sunflower and pasture seed markets, payment disruptions and customer rejection of our seed. If there is a disruption as described above, our revenue and earnings could be reduced, and our business operations might have to be scaled back. If we fail to introduce and commercialize new seed products, we may not be able to maintain market share, and our future sales may be harmed. The performance of our new seed products may not meet our customers' expectations, or we may not be able to introduce and commercialize specific seed varieties and hybrids. Reorder rates are uncertain due to several factors, many of which are beyond our control. These include changing customer preferences, which could be further complicated by competitive price pressures, our failure to develop new products to meet the evolving demands of the end users, the development of higher- demand products by our competitors and general economic conditions. The process for new products to gain market recognition and acceptance is long and has uncertainties. **New products may be abandoned for many reasons, including greater than anticipated development costs, competition, decrease in demand and the need to divert focus, from time to time, to other initiatives with perceived opportunities for better returns.** If we fail to introduce and commercialize ~~a~~ new seed ~~product~~ **products** that ~~meets~~ - **meet** the ~~demand~~ **demands** of the end user, if our competitors develop products that are favored by the end users, or if we are unable to produce our existing products in sufficient quantities, our growth prospects may be materially and adversely affected, and our revenue may decline. In addition, sales of our new products could replace sales of some of our current similar products, offsetting the benefit of a successful product introduction. The presence of GMO alfalfa in Australia or California could impact our sales. GMO crops currently are prohibited in most of the international markets in which our proprietary seed is currently sold. There are regions in the United States, including the Pacific Northwest, where even small quantities of GMO material inadvertently interspersed with conventional (non- GMO) alfalfa seed make the seed undesirable, which causes customers to look elsewhere for their alfalfa seed requirements. The greater the use of GMO seed in California and other alfalfa seed growing regions, the greater the risk that the adventitious presence of GMO material in our seed production will occur due to pollination from hay fields or other seed fields. We regularly test for the adventitious presence of GMO in our conventional alfalfa seed, and we have seen a slight increase in the percentage of GMO presence in conventional alfalfa seed over the past several years. Our seed containing GMO material can only be sold domestically or in other jurisdictions that permit the importation of GMO alfalfa. If we are unable to isolate our conventional alfalfa seed from inadvertently being contaminated by GMO seed, we may find it more difficult to sell that seed in our key markets and we may have insufficient quantities of seed to sell internationally, either of which could materially adversely impact our revenue over time ~~. The stevia market may not develop as we anticipate, and therefore our continued research and development activities with respect to stevia may never become profitable to us. There are a number of challenges to market acceptance of stevia as a natural, non- calorie sweetener. Stevia has its own unique flavor, which can affect the taste of some foods and beverages. A common complaint about stevia is that some of its extracts and derivatives have a bitter aftertaste, and its taste does not uniformly correspond to all regional taste preferences or combine well with some food flavors. Other factors that could impact market acceptance include the price structure compared to other sugar substitutes and availability. If the high- intensity, non- calorie sweetener market declines or if stevia fails to achieve substantially greater market acceptance than it currently enjoys, we might never be able to profit from our continued research and development activities relating to stevia or any commercial applications that we derive therefrom. Even if products conform to applicable safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy and quality of stevia. Adverse publicity about stevia or stevia- based products may discourage consumers from buying products that contain stevia. Any of these developments could adversely impact the future amount of dry leaf stevia, processed stevia leaves or extract we are able to sell, which could adversely impact our results of operations~~ . The loss of key employees or the failure to attract qualified personnel could have a material adverse effect on our ability to run our business. The loss of any of our current executives, key employees or key advisors, or the failure to attract, integrate, motivate and retain additional key employees, could have a material adverse effect on our business. Although we have employment agreements with our executive officers, as well as certain other employees, all of our employees are employed “ at- will ” and could leave our employ at any time. We do not carry “ key person ” insurance on the lives of any of our management team. As we develop additional capabilities, we may require more skilled personnel who must be highly skilled and have a sound understanding of our industry, business or processing requirements. Recruiting skilled personnel is highly competitive. Although to date we have been successful in recruiting and retaining qualified personnel, there can be no assurance that we will continue to attract and retain the personnel needed for our business. The failure to attract or retain qualified personnel could have a material adverse effect on our business. We may not be able to manage expansion of our operations effectively. We expect our operations to continue to grow in the future, both as we expand our historical alfalfa seed business both domestically and internationally through internal growth and synergistic acquisitions and increase our growers’ production. These efforts will require the addition of employees, expansion of facilities and greater oversight, perhaps in diverse locations. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute on our business strategies or respond to competitive pressures, and we may have difficulties maintaining and updating the internal procedures and the controls necessary to meet the planned expansion of our overall business. Our management will also be required to maintain and expand our relationships with customers, suppliers and other third parties as well as attract new customers and suppliers. We expect that our sales and marketing costs will increase as we grow our product lines and as we increase our sales efforts in new and existing markets. Our current and planned operations, personnel, systems and internal procedures and controls may not be adequate to support our future growth. We may be unable to successfully integrate the businesses we have recently acquired and may acquire in the future with our current management and structure. As part of our growth strategy, we have acquired and may continue to acquire additional businesses, product lines or other assets. We may not be able to locate or make suitable acquisitions on acceptable terms, and future acquisitions may not be effectively and profitably integrated into our business. Our failure to successfully complete the integration of the businesses we acquire could have an adverse effect on our prospects, business activities, cash flow, financial condition, results of operations and stock price. Integration challenges may include the following: • assimilating the acquired operations, products and personnel with our existing operations, products and personnel; • estimating the capital, personnel and equipment required for the acquired businesses based on the historical experience of management with the businesses with which they are familiar; • minimizing potential adverse effects on existing business relationships with other suppliers and customers; • developing and marketing the new products and services; • entering markets in which we have limited or no prior experience; and • coordinating our efforts throughout various distant localities and time zones. In connection with any such transactions, we may also issue equity securities, incur additional debt, assume contractual obligations or liabilities or expend significant cash. Such transactions could harm our operating results and cash position and negatively affect the price of our stock. In addition, there can be no assurance that we will achieve the revenues, growth prospects and synergies expected from our prior acquisitions or any future acquisitions, or that we will achieve such revenue, growth prospects and synergies in a manner consistent with our expectations. ~~For example, Pasture Genetics has not met certain earnings thresholds and therefore we are not obligated to pay the $ 5. 4 million earn- out otherwise payable on September 30, 2022.~~ Our failure to realize the anticipated benefits of our strategic transactions could adversely affect our business, operating results and financial condition. The diversion of management' s attention and costs associated with acquisitions may have a negative impact on our business. If management’ s attention is diverted from the management of our existing businesses as a result of its efforts in evaluating and negotiating new acquisitions and strategic transactions, the prospects, business activities, cash flow, financial condition and results of operations of our existing businesses may suffer. We also may incur unanticipated costs in connection with pursuing acquisitions and strategic transactions, whether they ultimately are consummated or not. S & W Australia' s alfalfa seed grower base is dependent on a limited number of milling facilities to process its seed. Only five milling facilities are regularly used by S & W Australia' s grower base to clean and process S & W Australia alfalfa seed. Should one or more of these facilities become unusable, there could be a significant effect on S & W Australia' s ability to get its Australian alfalfa seed to market in a timely manner or at all. S & W Australia' s growers use Tatiara Seeds to process approximately ~~70~~ **63** % of the alfalfa seed grown for S & W Australia **in fiscal 2023** . S & W Australia is thinly capitalized and may become dependent upon us for financing. Because S & W Australia has relatively little net working capital, it is substantially dependent upon its credit arrangement with National Australia Bank Ltd, or NAB, to purchase its seed inventory. If S & W Australia breaches its credit arrangement in the future or other reasons cause this credit arrangement to become unavailable to S & W Australia, S & W Australia may become reliant on us to finance its operations or for financial guarantees. We currently are a guarantor on S & W Australia' s NAB credit facility, and anticipate that we will need to make a capital infusion into S & W Australia in the near future. S & W Australia' s financial dependency upon us could have a negative adverse effect upon our financial condition. S & W Australia is dependent on a group of seed growers and a favorable pricing model for alfalfa seed production. S & W Australia relies on a group of ~~approximately 50~~ **over 55** Australian contract growers to produce its proprietary alfalfa seeds. In this system, growers' contract with S & W Australia to grow S & W Australia' s seed for terms of seven to ten years in the case of alfalfa and two to three years for white clover. S & W Australia uses a staggered payment system with the growers of its alfalfa and white clover; the payment amounts are based upon a Production Fee for compliant seed. The Production Fee is advised each year at the time of crop harvest but no later than May 31 and is based on carryover stock, estimated size of harvest and prevailing and estimated market values. Following the grower' s delivery of uncleaned seed to a milling facility, S & W Australia typically pays **approximately** 40 % of the Production Fee to the grower based on pre- cleaning weight. Following this initial payment, S & W Australia makes two equal progress payments to the total of the Production Fee in September and December and, if applicable, a bonus payment for " first grade " alfalfa seed. The final amount payable to each grower is also subject to adjustment based upon the clean weight of the seed grown. Once the Production Fee has been advised each year S & W Australia is committed to payment amounts and timing exposing it to adverse changes in market values due to price and currency fluctuations. Changes in government policies and laws could adversely affect international sales and therefore our financial results. Historically, sales to our distributors who sell our proprietary alfalfa seed varieties outside the United States have constituted a meaningful portion of our annual revenue. We anticipate that sales into international markets will continue to represent a meaningful portion of our total sales and that continued growth and profitability will require further international expansion, particularly in the Middle East and Africa. Our financial results could be affected by changes in trade, monetary and fiscal policies, laws and regulations, or other activities of U. S. and non- U. S. governments, agencies and similar organizations. These conditions include but are not limited to changes in a country' s or region' s economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights in some countries, changes in the regulatory or legal environment, burdensome taxes and tariffs and other trade barriers. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities and war, could lead to reduced distribution of our products into international markets and reduced profitability associated with such sales. We are subject to risks associated with doing business globally. Our operations, both inside and outside the United States, are subject to risks inherent in conducting business globally and under the laws, regulations and customs of various jurisdictions and geographies. Although we sell seed to various regions of the world, a significant percentage of our sales outside the United States in fiscal ~~year 2022~~ **2023** were principally to customers in the Australia and the Middle East. Accordingly, developments in those parts of the world generally have a more significant effect on our operations than developments in other places. Our operations outside the United States are subject to special risks and restrictions, including, without limitation: **•** fluctuations in currency values and foreign- currency exchange rates; **•** exchange control regulations; **•** changes in local political or economic conditions; **•** governmental pricing directives; import and trade restrictions; **•** import or export licensing requirements and trade policy; **•** restrictions on the ability to repatriate funds; and **•** other potentially detrimental domestic and foreign governmental practices or policies affecting U. S. companies doing business abroad, including the U. S. Foreign Corrupt Practices Act and the trade sanctions laws and regulations administered by the U. S. Department of the Treasury' s Office of Foreign Assets Control **. Furthermore, our ability to export our products and our sales outside the United States may be adversely affected by significant changes in trade, tax, or other policies, including the risk that other countries may retaliate through the imposition of their own trade restrictions and / or increased tariffs in response to substantial changes to U. S. trade and tax policies** . Acts of terror or war may impair our ability to operate in particular countries or regions and may impede the flow of goods and services between countries. Customers in weakened economies may be unable to purchase our products, or it could become more expensive for them to purchase imported products in their local currency, or sell their commodity at prevailing international prices, and we may be unable to collect receivables from such customers. Further, changes in exchange rates may affect our net earnings, the book value of our assets outside the United States and our stockholders' equity. Failure to comply with the laws and regulations that affect our global operations could have an adverse effect on our business, financial condition or results of operations **. Additionally, in many markets there are various pressures to reduce government subsidies to farmers, which may inhibit the growth in these markets of products used in agriculture. In addition, government programs that create incentives for farmers may be modified or discontinued. However, it is difficult to predict accurately whether, and if so when, such changes will occur. We expect that the policies of governments and international organizations will continue to affect the planting choices made by growers as well as the income available to growers to purchase products used in agriculture and, accordingly, the operating results of the agriculture industry. The effects of the military conflict between Russia and Ukraine may have an adverse impact on our**

business. The global economy has been negatively impacted by the military conflict between Russia and Ukraine. Following the invasion of Ukraine by Russia in early 2022, the U. S. and global financial markets experienced volatility, which has led to disruptions to trade, commerce, pricing stability, credit availability, supply chain continuity and reduced access to liquidity globally. In response to the invasion, the United States, United Kingdom and European Union, along with others, imposed significant new sanctions and export controls against Russia, Russian banks and certain Russian individuals and may implement additional sanctions or take further punitive actions in the future. The full economic and social impact of the sanctions imposed on Russia and possible future punitive measures that may be implemented, as well as the counter measures imposed by Russia, in addition to the ongoing military conflict between Ukraine and Russia and related sanctions, which could conceivably expand into the surrounding region, remains uncertain; however, both the conflict and related sanctions have resulted and could continue to result in disruptions to trade, commerce, pricing stability, credit availability, supply chain continuity and reduced access to liquidity on acceptable terms, in both Europe and globally, and has introduced significant uncertainty into global markets. Shifts in these underlying conditions may negatively impact our margins. Furthermore, our market environment and, consequently, our business performance may be adversely impacted. Further escalation of the military conflict or related geopolitical tensions, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, supply disruptions, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chains. The effects of the conflict in Sudan may have an adverse impact on our business. The armed conflict in Sudan, which began in April 2023, has disrupted our shipments to the country. At this time, we expect to ship to Sudan $ 3. 0 million to $ 6. 0 million of our product in the first half of fiscal 2024 and will continue to monitor and assess conditions. If we are unable to provide shipments to Sudan and cannot find alternative outlets for the product, our business, financial condition or results of operations may be adversely impacted . Failure to comply with the United States Foreign Corrupt Practices Act or similar laws could subject us to penalties and other adverse consequences. We are subject to the United States Foreign Corrupt Practices Act, which generally prohibits United States companies, including their suppliers, distributors and other commercial partners, from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Corruption, extortion, bribery, pay- offs, theft and other fraudulent practices occur from time- to- time in the countries in which we distribute products. We have adopted formal policies and procedures designed to facilitate compliance with these laws. If our employees or other agents, including our distributors or suppliers, are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations. Environmental regulation affecting our seed products could negatively impact our business. Our agricultural operations are subject to a broad range of evolving environmental laws and regulations applicable to the markets in which we operate. These environmental laws and regulations are intended to address concerns related to, among other things, air quality, storm water discharge and management and disposal of agricultural chemicals relating to seed treatment. In the U. S., we are subject to evolving environmental laws and regulations by federal and state governments. Federal laws and regulations include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Seed Act, and potentially regulations of the FDA and / or other State regulatory agencies. Our Australian operations are also subject to a number of environmental laws, regulations and policies, including in particular the Environment Protection Act 1993 (SA), the Agricultural and Veterinary Products (Control of Use) Act 2002 (SA), the Genetically Modified Crops Management Act 2004 (SA), the Dangerous Substances Act 1979 (SA), the Controlled Substances Act 1984 (SA) and related regulations and policies. Our failure to comply with these laws and related regulations could have an adverse effect on our business, financial condition or results of operations. Moreover, it is possible that future developments, such as increasingly strict environmental laws and enforcement policies thereunder, and further restrictions on the use of agricultural chemicals, could result in increased compliance costs which, in turn, could have a material adverse effect on our business, financial condition or results of operations. If we are unable to obtain government approvals for certain of our products, we may be unable to commercialize those products in certain markets. Our ability to launch and commercialize certain new products is subject to regulatory approval, which can be lengthy, costly, complex and in some markets unpredictable. **The regulatory environment may be impacted by the activities of non- governmental organizations and special interest groups and stakeholder reaction to actual or perceived impacts of new and existing technology, products, or processes on safety, health, and the environment.** Seed products incorporating biotechnology derived traits and crop protection products must be extensively tested for safety, efficacy, and environmental impact before they can be registered for production, use, sale or commercialization in a given market. Obtaining and maintaining regulatory approvals requires submitting a significant amount of information and data, which may require participation from technology providers. If we are unable to receive the necessary approvals, we will be unable to produce and sell certain of our current and future products, which may have a material adverse effect on our business, financial condition and results of operations. Unauthorized access to our information technology systems, infrastructure and data could have a material adverse effect on our business, financial condition or results of operations. We are dependent upon our own and third- party information technology systems, infrastructure and data, including mobile technologies, to operate our business. The multitude and complexity of our computer systems may make them vulnerable to service interruption or destruction, disruption of data integrity, malicious intrusion, or random attacks. Likewise, data privacy or security incidents or breaches by employees or others may pose a risk that sensitive data, including our intellectual property, trade secrets or personal information of our employees, customers or other business partners may be exposed to unauthorized persons or to the public. Our business partners face similar risks, and any security breach of their systems could adversely affect our security posture. In addition, **cyberattacks** ~~cyber- attacks~~ are increasing in their frequency, sophistication and intensity. Cyber- attacks could include the deployment of harmful malware, denial- of-service, social engineering and other means to affect service reliability and threaten data confidentiality, integrity and availability. Moreover, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information, trade secrets or other intellectual property. A security breach, including, for example, a misappropriation of customer, distributor or employee confidential information, trade secrets or intellectual property, could disrupt our business and result in increased costs or loss of revenue, which may include potential costs of investigations, legal, forensic and consulting fees and expenses, costs and diversion of management' s attention required for investigation, remediation and litigation, substantial repair or replacement costs. In addition, any disruption in our information technology systems, loss of data or other disruptions could impair our ability to manage inventories, process transactions and communicate with our customers, which could prevent us from being able to fulfill orders, result in ~~cancelations~~ **cancellations** and loss of customers, cause us reputational harm and generally disrupt our ability to conduct our business, any of which could have a material adverse effect on our business, financial condition or results of operations. While we have implemented measures for the protection of our data and information technology infrastructure, there can be no assurance that our efforts will prevent service interruptions, or identify breaches in our systems, that could adversely affect our business and operations and / or result in the loss of critical or sensitive information, which could result in financial, legal, business or reputational harm to us. In addition, our liability insurance may not be sufficient in type or amount to cover us against claims related to security breaches, **cyberattacks** ~~cyber- attacks~~ and other related breaches. Insurance covering defective seed claims may become unavailable or be inadequate. Defective seed could result in insurance claims and negative publicity. Although we carry general liability insurance to cover defective seed claims, such coverage may become unavailable or be inadequate. Even if coverage is offered, it may be at a price and on terms not acceptable to us. If claims exceed coverage limits, or if insurance is not available to us, the occurrence of significant claims could have a material adverse effect on our business, results of operations and financial condition. We may be exposed to product quality claims, which may cause us to incur substantial legal expenses and, if determined adversely against us, may cause us to pay significant damage awards. We may be subject to legal proceedings and claims from time to time relating to our seed ~~or stevia~~ quality. The defense of these proceedings and claims can be both costly and time consuming and may significantly divert efforts and resources of our management personnel. An adverse determination in any such proceeding could subject us to significant liability and damage our market reputation and prevent us from achieving increased sales and market share. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase of our products. Capital and credit market issues could negatively affect our liquidity, increase our costs of borrowing and disrupt the operations of our growers and customers. The capital and credit markets have experienced increased volatility and disruption over the past several years, making it more difficult for companies to access those markets. Continued or increased volatility and disruption in the capital and credit markets may impair our liquidity or increase our costs of borrowing, if we need to access the credit market. Our business could also be negatively impacted if our growers or customers experience disruptions resulting from tighter capital and credit markets or a slowdown in the general economy. If we are unable to protect our intellectual property rights, our business and prospects may be harmed. Our ability to compete effectively is dependent upon the proprietary nature of the seeds, seedlings, processes, technologies and materials owned by or used by us or our growers. If any competitors independently develop new traits, seeds, seedlings, processes or technologies that customers or end users determine are better than our existing products, such developments could adversely affect our competitive position. In some cases, we obtain patent protection or plant breeder rights registrations for certain of our seed products. However, our principal method of guarding our proprietary varieties and hybrids is exercising a high degree of control over the supply chain. We also rely on trade secret protection and confidentiality agreements to protect proprietary know- how that is not patentable, processes for which patents are difficult to enforce and any other elements of our discovery and development processes that involve proprietary know- how, information or technology that is not covered by patents. Although we require our employees, consultants, advisors and any third parties who have access to our proprietary know- how, information, or technology to enter into confidentiality agreements, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Even with these measures in place, it would be possible for persons with access to our seed or plants grown from our seed to reproduce and market products substantially similar to our proprietary seed varieties, which could significantly harm our business and our reputation. Third parties may challenge the validity, enforceability and scope of our intellectual property rights. Furthermore, we sell our products in more than 40 countries and the laws of some 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. Litigation may be necessary to protect our proprietary property and determine the validity and scope of the proprietary rights of competitors. Intellectual property litigation could result in substantial costs and diversion of our management and other resources. If we are unable to successfully protect our intellectual property rights, our competitors could market products that compete with our proprietary products without obtaining a license from us. **Actual or threatened public health pandemics or outbreaks may adversely impact on our business, operations and the markets and communities in which we, our partners and customers operate. While many health organizations have declared that the COVID- 19 pandemic has ended, the pandemic and previous actions to slow its spread had an adverse impact on our operations, including disruptions of shipments of our seed products, increased foreign exchange rate volatility, reduced in- person sales interactions, and other disruptions which affected our results and financial condition. For example, during the year ended June 30, 2023, we experienced numerous logistical challenges due to limited availability of trucks for product deliveries, congestion at the ports, and overall volatility of shipping and transportation costs. We cannot predict if or when other similar disease outbreaks will emerge that cause similar disruptions. The extent to which future pandemics may impact our operations will depend on future developments,**

which are highly uncertain and cannot be predicted with confidence, such as the timing and duration of future pandemics, the transmissibility and severity of illness caused by future pandemics, the efforts by governments and businesses to contain the spread of future pandemics, business closures or business disruptions and the impact on the economy and capital markets. Similar disruptions or disease outbreaks could delay or reduce our ability to recognize revenues within a particular fiscal period and harm our results of operations. A negative public perception of biotechnology may adversely impact our business. Concerns and claims regarding the safe use of seeds with biotechnology traits and their potential impact on health and the environment, and the perceived impacts of biotechnology on health and the environment, reflect a growing trend in societal demands for increasing levels of product safety and environmental protection. These and other concerns could manifest themselves in stockholder proposals, preferred purchasing, delays or failures in obtaining or retaining regulatory approvals, delayed product launches, lack of market acceptance, product discontinuation, continued pressure for and adoption of more stringent regulatory intervention and litigation, termination of raw material supply agreements, and legal claims. These and other concerns could also influence public perceptions, the viability or continued sales of certain of our products, our reputation, and the cost to comply with regulations. As a result, such concerns could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Disruptions to our operations may adversely impact our business. Despite all precautions, operations at our sites may be disrupted by fires, power outages, process changeovers – including those due to restrictions on the use of certain chemical substances – or plant breakdowns, for example. In addition, some of our production facilities are located in areas that may be affected by natural disasters such as flooding or earthquakes. These risks can lead to production disruptions or stoppages, result in personal injury and damage to our reputation, lead to declines in sales and / or margins, and necessitate the reconstruction of damaged infrastructure. Furthermore, potential criminal activities targeting our employees, property or business activities represent a risk for our company. These include intellectual property theft, vandalism, physical attacks and sabotage. In addition, counterfeit or adulterated versions of our products could be put into circulation. There is also the risk of crises such as a pandemic or a prolonged power outage that could lead to a breakdown of our critical infrastructure and our production. Risks Related to our Financial Position and Investment in Our Securities The terms of our loan and security agreement with CIBC and MFP **, our debt facilities with NAB, and our AgAmerica note** place restrictions on our operating and financial flexibility, and failure to comply with covenants or to satisfy certain conditions may result in acceleration of our repayment obligations and foreclosure on our pledged assets, which could significantly harm our liquidity, financial condition, operating results, business and prospects and cause the price of our securities to decline. Our revolving credit facility with CIBC is secured by a first priority perfected security interest in substantially all of our assets, subject to certain exceptions. In addition, we ~~recently entered into~~ **may become obligated to repay deemed term loan advances pursuant to** a Subordinate Loan and Security Agreement with MFP Partners, L. P., or MFP ~~, pursuant to which we may become obligated to repay deemed term loan advances~~ . Our loan agreement with CIBC requires us to comply with certain financial covenants. The loan agreements with CIBC and MFP also require us to comply with a number of other covenants (affirmative and negative), including restrictive covenants that limit our ability to, among other things, incur additional indebtedness; merge or consolidate with or into any other organization or otherwise suffer a change in control; acquire, own or make investments; repurchase or redeem any class of stock or other equity interest; declare or pay any cash dividend or make a cash distribution on any class of stock or other equity interest; and transfer a material portion of our assets, in each case subject to exceptions. In addition to other specified events of default, and subject to limited exceptions, CIBC could declare an event of default upon our non- compliance with certain covenants or the occurrence of certain events that it may determine, in its sole discretion, to have a material adverse effect, including: a material adverse change in, or a material adverse effect on our business, property, assets or operations, taken as a whole; a material impairment of our ability to perform any of our obligations under the loan agreement; a material adverse effect upon the collateral for the loan or its value; or a material impairment of the enforceability or priority of the liens upon the collateral for the loan or the legality, validity, binding effect or enforceability of the loan agreement or related agreements. If we default under the credit facility, CIBC may accelerate all of our repayment obligations, which may require us to seek additional or alternate financing and / or modify our operational plans. **Current debt covenants are stated** ~~As of June 15, 2022 we were not~~ in **the March** ~~compliance with a minimum liquidity requirement, which was waived by CIBC. On September~~ 22, ~~2022~~ **2023** ~~we entered into an~~ amendment with CIBC ~~which, among other things, established a minimum liquidity covenant requiring us to maintain minimum liquidity of not less than $ 1, 000, 000, tested weekly~~ . We cannot guarantee that we will be able to comply with all of the covenants contained in the CIBC loan agreement in the future, or secure additional waivers if or when required. If we are unable to comply with or obtain a waiver of any noncompliance under the loan agreement, CIBC could declare an event of default or require us to further renegotiate the loan agreement on terms that may be significantly less favorable to us, or we may be required to seek additional or alternative financing. Although we have secured a lending commitment from MFP to address certain of these risks, we cannot assure you that we will be able to comply with the terms of the loan agreement with MFP, and we would still need to seek refinancing of the MFP loan agreement if any amounts became payable under the MFP loan agreement. If we were to seek additional or alternative financing, any such financing may not be available to us on commercially reasonable terms ~~or~~ **, if** at all. **Our term** ~~We are actively engaging with potential lenders to refinance the CIBC~~ loan agreement ~~prior to~~ **with AgAmerica Lending LLC, or AgAmerica,** ~~its~~ - **is** ~~maturity~~ **evidenced by a promissory note and is secured by a mortgage** on ~~December 23~~ **approximately 31 acres of land located in Lubbock and Moore Counties** , **Texas, and certain personal property thereon. The term loan agreement and the promissory note, or collectively, the AgAmerica note, requires us to comply with a number of covenants (affirmative and negative) that include limitations with respect to liens, fundamental changes, asset sales and formation and acquisition of subsidiaries, in each case subject to exceptions. If we default under the AgAmerica note, AgAmerica may declare all outstanding obligations immediately**

due and payable, which may require us to seek additional or alternate financing and / or modify our operational plans. Our debt facilities with NAB also contain various covenants, including an undertaking that requires us to maintain a net related entity position of not more than USD $ 18. 5 million. The debt facilities with NAB are guaranteed by S & W Seed Company up to a maximum of AUD $ 15. 0 million (USD $ 9. 9 million as of June 30, ~~2022~~ 2023) . ~~However~~ **If we default under the NAB debt facilities, NAB may declare all outstanding obligations immediately due and payable, which may require us to seek additional or alternate financing and / or modify our operational plans. Although our amended CIBC Loan Agreement matures on August 31, 2024, our AgAmerica note matures on June 30, 2026, and our NAB debt facilities mature on September 29, 2023 and September 30, 2024** , we cannot assure you that we will succeed in securing ~~such~~ **future** refinancing on commercially reasonable terms, if at all, and whether such terms may be more restrictive than the provisions governing the ~~loan~~ **lending** ~~agreement~~ **agreements** . In addition, we cannot assure you that we will not experience an event of default or be required to further renegotiate with, or seek additional waivers from ~~, CIBC~~ **our lenders** , including on terms that may be significantly less favorable to us, before we are able to refinance the loan agreement, if ever. Any declaration by ~~CIBC~~ **our lenders** of an event of default could significantly harm our liquidity, financial condition, operating results, business, and prospects and cause the price of our securities to decline. If we are unable to access funds to meet those obligations or to renegotiate our ~~agreement~~ **agreements** , ~~CIBC~~ **our lenders** could foreclose on our pledged assets and we would have to immediately cease operations. In addition, during the continuance of an event of default, the then- applicable interest rate on the then- outstanding principal balance is subject to increase. Upon an event of default, ~~CIBC~~ **our lenders** could also require us to repay the loan immediately, together with a prepayment penalty, and other fees. If we were to renegotiate ~~the~~ **our lending** ~~agreement~~ **agreements** under such circumstances, the terms may be significantly less favorable to us. If we were liquidated, ~~CIBC' s~~ **our lenders'** ~~right~~ **rights** to repayment would be senior to the rights of our stockholders to receive any proceeds from the liquidation. Any declaration by ~~CIBC~~ **our lenders** of an event of default could significantly harm our liquidity, financial condition, operating results, business, and prospects and cause the price of our securities to decline. We may incur additional indebtedness in the future. The debt instruments governing such indebtedness may contain provisions that are as, or more, restrictive than the provisions governing our existing indebtedness. If we are unable to repay, refinance or restructure our indebtedness when payment is due, ~~CIBC~~ **our lenders** could proceed against the collateral or force us into bankruptcy or liquidation. The value of our common stock can be volatile. Our common stock is listed on the Nasdaq Capital Market. The overall market and the price of our common stock can fluctuate greatly. The trading price of our common stock may be significantly affected by various factors, including but not limited to: • economic status and trends in the dairy industry, which underlies demand for our alfalfa seed; • market conditions for alfalfa seed in the Middle East and North Africa, where a substantial amount of our seed historically has been purchased by end users; • quarterly fluctuations in our operating results; • our ability to meet the earnings estimates and other performance expectations of investors or financial analysts; • fluctuations in the stock prices of our peer companies or in stock markets in general; and • general economic or political conditions. Our quarter- to- quarter performance may vary substantially, and this variance, as well as general market conditions, may cause the price of our securities to fluctuate greatly and potentially expose us to litigation. Our seed business is highly seasonal because it is tied to the growing and harvesting seasons. If sales in particular quarters are lower than expected, our operating results for these quarters could cause our share price to decline. Our future expense estimates are based, in large part, on estimates of future revenue, which is difficult to predict. We expect to continue to make expenditures in order to expand production, sales, marketing and processes. We may be unable to, or may elect not to, adjust spending quickly enough to offset any unexpected revenue shortfall. If our increased expenses are not accompanied by increased revenue in the same quarter, our quarterly operating results would be harmed. In one or more future quarters, our results of operations may fall below the expectations of investors or analysts, and the trading price of our securities may decline as a consequence. We believe that quarter- to- quarter comparisons of our operating results will not be a good indication of our future performance and should not be relied upon to predict the future performance of our stock price. In the past, companies that have experienced volatility in the market price of their stock have often been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management' s attention from other business concerns, which could seriously harm our business. **We completed a private placement of our Series B Redeemable Convertible Non- Voting Preferred Stock on February 18, 2022, and if we are required to redeem such shares of preferred stock, our cash position will be negatively impacted. In addition, we may not have sufficient funds to redeem such shares of preferred stock. We issued 1, 695 shares of Series B Redeemable Convertible Non- Voting Preferred Stock, or Series B Preferred Stock, in connection with our February 2022 private placement. Unless prohibited by Nevada law governing distributions to stockholders, the Series B Preferred Stock is redeemable, at any time after August 18, 2025, upon written request from the holders of a majority of the outstanding shares of Series B Preferred Stock, at a price equal to its stated value, plus any cash dividends accrued but unpaid thereon. As of June 30, 2023, the aggregate stated value of our Series B Preferred Stock was $ 5. 3 million.** If **a holder of the Series B Preferred Stock requests redemption we will be required to redeem such shares of preferred stock. However, we may be unable to redeem such preferred stock if restrictions under applicable law or contractual obligations prohibit such redemption. Additionally, even if such redemptions are permitted, our available cash will be negatively impacted as a result of such redemptions. In addition, such reduction in our available cash could decrease the trading price of our common stock. If** we issue ~~shares of preferred~~ **additional securities with rights superior to our common** stock, the holdings of those owning our common stock could be **further** diluted or subordinated to the rights of the holders of preferred stock **. We may offer additional debt or equity securities in private and / or public offerings in order to raise working capital or to refinance our debt** . Our board of directors is authorized by our articles of incorporation to establish classes or series of preferred stock and fix the designation, powers, preferences and rights of the shares of each such class or series without any further vote or action by our stockholders.

Any shares of preferred stock so issued could have priority over our common stock with respect to dividend or liquidation rights **. Our board of directors has authorized the issuance of 3, 323 shares of Series B Redeemable Convertible Non- Voting Preferred Stock, of which 1, 695 shares are outstanding as of June 30, 2023. Any future sales of securities could adversely affect the interests or voting rights of the holders of our common stock, result in substantial dilution to existing stockholders, or adversely affect the market price of our common stock** . Our actual operating results may differ significantly from our guidance. We routinely release annual guidance in our quarterly earnings releases, our quarterly earnings conference calls and in other forums we consider appropriate. Such guidance regarding our future performance represents our management' s estimates as of the date of release or other communication. This guidance, which includes forward- looking statements, is based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accountants nor any other independent expert or outside party compiles or examines the projections, and accordingly, no such person expresses any opinion or any other form of assurance with respect thereto. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. If we issue guidance, we will generally state possible outcomes as high and low ranges or approximations that are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of the suggested ranges or approximations. The principal reason that we would release guidance would be to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance, when given, is only an estimate of what management believes is realizable as of the date of release or other communication. Actual results will vary from our guidance, and the variations may be material. In light of the foregoing, investors are urged not to rely upon, or otherwise consider, our guidance in making an investment decision about our securities. We do not anticipate declaring any cash dividends on our common stock. We have never declared or paid cash dividends on our common stock and do not plan to pay any cash dividends **on our common stock** in the near future. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. If we do not pay cash dividends, our **common** stock may be less valuable to investors because a return on their investment will only occur if our stock price appreciates. Anti- takeover provisions and our right to issue preferred stock could make a third- party acquisition of us difficult. Our articles of incorporation and bylaws contain provisions that would make it more difficult for a third party to acquire control of us, including a provision that our board of directors may issue preferred stock without stockholder approval. In addition, certain anti- takeover provisions of Nevada law, if and when applicable, could make it more difficult for a third party to acquire control of us, even if such change in control would be beneficial to our stockholders.