Risk Factors Comparison 2024-02-28 to 2023-03-01 Form: 10-K

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Our business, financial condition and results of operations are subject to various risks and uncertainties, including those described below and elsewhere in this report. We believe the most significant of these risks and uncertainties are described below, any of which could adversely affect our business, financial condition and results of operations, as well as our cash flows, liquidity, stock price and / or reputation, and could cause actual results to differ materially from the results contemplated by the forward- looking statements contained in this report. There may be additional risks and uncertainties not presently known to us or that we currently consider immaterial. Consequently, you should not consider the following to be a complete discussion of all possible risks or uncertainties applicable to our business. These risk factors should be read in conjunction with the other information in this report and in the other documents that we file from time to time with the SEC and the CSA. Risks Related to Our Company, Business and Operations Deterioration of global economic conditions, an economic recession, periods of inflation, or economic uncertainty in our key markets may adversely affect customer and consumer spending, as well as demand for our products Global economic conditions can be uncertain and volatile. Our business and results of operations have in the past been, and may continue to be, adversely affected by changes in global economic conditions including inflation, interest rates, consumer spending rates, energy availability and costs, the negative impacts caused by public health crises, such as the COVID- 19 pandemic, as well as the potential impacts of geopolitical **events** ~~uncertainties, including the ongoing conflict between Russia and Ukraine~~ , and the effect of governmental initiatives to manage economic conditions. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer spending also remain unpredictable and subject to reductions due to credit constraints and uncertainties about the future. Most of our products are purchased by our customers based on end- user demand from consumers. Some of the factors that may influence consumer spending include general economic conditions, high levels of unemployment, health crises, higher consumer debt levels, reductions in net worth based on market declines and uncertainty, home foreclosures and reductions in home values, fluctuating interest rates and credit availability, fluctuating fuel and other energy costs, fluctuating commodity prices, inflationary pressure, tax rates, and general uncertainty regarding the overall future economic environment. Unfavorable economic conditions may lead customers and consumers to delay or reduce purchases of our products and could present challenges in collecting our account receivables on a timely basis. Customer demand for our products may not reach our targets or may decline as distributors and retailers seek to reduce inventory positions if there is an economic downturn or economic uncertainty in our key markets. Economic cycles and related fluctuations in customer demand may have a material adverse effect on our business, financial condition, and results of operations. ~~A pandemic, including COVID- 19, could have an adverse impact on our business, financial condition, and results of operations The severity, magnitude and duration of the current COVID- 19 pandemic continues to be uncertain and rapidly changing as a result of new variants and vaccines. The COVID- 19 pandemic has caused, and could continue to cause, increased economic uncertainty, including impacts from inflation, interest rates, consumer spending rates, and energy availability and costs. The ongoing implications of the COVID- 19 pandemic could adversely impact our business in a number of ways, including but not limited to, significant volatility in customer demand for our products, changes in consumer behavior and preferences, increases in raw material and energy costs, disruptions in our supply chain and manufacturing operations, disruptions to our business expansion plans, limitations on our employees' ability to work and travel due to illness or government restrictions, significant changes in the economic conditions in markets in which we operate, currency and commodity volatility, and pressure on our liquidity. The impact from the COVID- 19 pandemic depends on future developments that are beyond our control, such as the emergence and spread of variants, infection rates in areas we operate, the extent and effectiveness of containment actions, including the continued availability and effectiveness of vaccines. If we are unable to anticipate or respond to all implications of the COVID- 19 pandemic, including any of the above factors and others that are currently unknown, it could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the items above and other impacts of the COVID- 19 pandemic could have the effect of heightening many of the other risks described in this" Risk Factors" section of our Form 10- K, including but not limited to risks of deteriorating global economic conditions, inflationary pressure on costs, and labor shortages.~~ SUNOPTA INC. December ~~31~~ **30** , ~~2022~~ **2023** Form 10- K We may not be able to increase prices to fully offset inflationary pressures on costs, such as raw and packaging materials, labor, energy, fuel and distribution costs, which may impact our business, financial condition, and results of operations In recent years, we have experienced elevated commodity and supply chain costs, including the costs of raw materials, packaging, labor, energy, fuel, freight and other inputs necessary for the production and distribution of our products, and we expect elevated levels of inflation to continue in ~~2023~~ **2024** . Many of these materials and costs are subject to price fluctuations from a number of factors, including, but not limited to, market conditions, **geopolitical events** ~~the ongoing conflict between Russia and Ukraine~~ , demand for raw materials, weather, growing and harvesting conditions, energy and fuel costs, currency fluctuations, and other factors beyond our control. Our attempts to offset these cost pressures, such as through increases in the selling prices of some of our products, may not be successful. Higher product prices may result in lower sales volumes. Consumers may shift to lower priced product offerings, or may forego some purchases altogether, during an economic downturn or times of increased inflationary pressure. To the extent that our efforts to offset cost inflation through price increases, and / or through cost containment measures and productivity initiatives, are not sufficient to offset these increased costs adequately or in a timely manner, and / or if they result in significant decreases in sales volume, our business, financial condition and results of operations may be materially and adversely affected. If we do not manage our supply chain effectively, our operating results may be adversely affected Our supply chain is complex **and critical to our ability to manufacture, move, and sell products** . We rely on third-party suppliers for our raw materials and packaging, as well as the distribution of our products. The inability of any of these suppliers to deliver or perform for us in a timely or cost- effective manner could cause our operating costs to rise and our margins to fall. Many of our products are perishable and require timely processing and transportation to our customers. Additionally, many of our products can only be stored for a limited amount of time before they spoil and cannot be sold. We must continually monitor our inventory and product sales mix against forecasted demand to reduce the risk of not having adequate supplies to meet consumer demand or the risk of having too much inventory that may reach its expiration date. General macroeconomic **and** conditions **, geopolitical events** and **health crises** ~~the COVID- 19 pandemic~~ have increased the challenges of managing our supply chain, and these factors could continue to cause unpredictable supply chain interruptions or other adverse effects on our supply chain. If we are unable to manage our supply chain effectively and ensure that our products are available to meet consumer demand, our operating costs could increase and our margins could decline, which could have a material adverse effect on ~~our business, financial condition, and results of operations. Part of our supply chain depends in part on a seasonal, temporary workforce comprised primarily of migrant workers. Changes in immigration laws or policies that discourage migration to the U. S. and political or other events (such as war, terrorism, or health crises) that make it more difficult for individuals to immigrate to or migrate throughout the U. S. could adversely affect the migrant worker population and reduce the workforce available for farms and production facilities in the U. S. Additionally, increased competition from other industries for migrant workers could increase our costs and adversely affect~~ our business, financial condition, and results of operations. If we face labor shortages or increased labor costs, our business, financial condition, and results of operations could be adversely affected Labor is a primary component of operating our business. Our ability to achieve our operating goals depends on our ability to identify, hire, train, and retain qualified employees. We compete with other companies both within and outside of our industry for talented employees. If we are unable to hire and retain employees capable of performing at a high-level, our ability to efficiently operate our manufacturing facilities and overall business could be adversely affected. Our ability to meet our labor needs while controlling labor costs is subject to external factors, such as employment levels, prevailing wage rates, minimum wage legislation, changing demographics, health and other insurance costs, and governmental labor and employment requirements. In addition, a sustained labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased overtime to meet demand, costs to hire and train new employees, and increased wage rates and employee benefits to attract and retain employees. An overall labor shortage, lack of skilled labor, increased turnover, labor inflation, and changes in applicable employment laws and regulations, could lead to increased labor costs and / or reduced operating efficiencies, which could have a material adverse impact on our business, financial condition, and results of operations. ~~SUNOPTA INC. December 31, 2022 Form 10- K~~ An interruption at one or more of our manufacturing facilities could negatively affect our business, and our business continuity plan may prove inadequate We own or lease, manage and operate a number of manufacturing, processing, packaging, storage and office facilities. We may be unable to accept and fulfill customer orders as a result of disasters, health crises (such as the COVID- 19 pandemic), business interruptions, or other similar events. Some of our inventory and manufacturing facilities are located in areas that are susceptible to harsh weather, and the production of certain of our products is concentrated in a few geographic areas ~~. In addition, we store chemicals used in the equipment for quick-freezing of fruit or used for cooling processes during ingredient processing, and our storage of these chemicals could lead to risk of leaks, explosions, or other events~~ . Although we have a business continuity plan, our plan might not address all of the issues we may encounter in the event of a disaster or other unanticipated issues. Our business interruption insurance may not adequately compensate us for losses that may occur from any of the foregoing. In the event that a disaster, or other catastrophic event were to destroy any part of any of our facilities or interrupt our operations for any extended period of time, or if harsh weather or health crises prevent us from producing and / or delivering products in a timely manner, our business, financial condition and results of operations could be materially and adversely affected. **SUNOPTA INC. December 30, 2023 Form 10- K** Our customers generally are not obligated to continue purchasing products from us Many of our customers buy from us under short- term, binding purchase orders. As a result, these customers are not committed to maintain or increase their sales volumes or orders for the products supplied by us. Decreases in our customers' sales volumes or orders for products supplied by us may have a material adverse effect on our business, financial condition and results of operations. **In addition, some customer buying decisions are based on a periodic bidding process. Our sales volume may decrease if our offer is too high and rejected. Alternatively, we risk reducing our margins if our offer is successful but less than our desired price point. Either of these outcomes may adversely affect our results of operations.** Loss of a key customer could materially reduce revenues and earnings Our relationships with our key customers are critical to the success of our business and our results of operations. ~~Our~~ **For the year ended December 30, 2023, our** ten largest customers accounted for approximately ~~74~~ **80** % of ~~consolidated~~ revenues **from continuing operations** ~~for the year ended December 31, 2022~~ . The loss, decrease or cancellation of business with any of our large customers could materially and adversely affect our business, financial condition, and results of operations. We operate in a highly competitive industry We operate businesses in the highly competitive food industry in North America. We compete with large U. S. and international food ingredient and consumer- packaged food companies. These competitors may have financial resources larger than ours and may be able to benefit from economies of scale, pricing advantages, long- standing customer relationships, and greater resources for product innovation, and marketing and promotional activities. In addition, we may have to compete for limited supplies of certain raw materials with competitors having greater resources and stronger supplier relationships than we have. If we are unable to effectively respond to these competitive factors or if the competition in any of our product markets results in price reductions or decreased demand for our products, our business, financial condition and results of operations may be materially and adversely affected. Product innovations by our competitors could make our food products less competitive Our competitors include major food manufacturers and consumer- packaged food companies. Many of these companies are engaged in the development of food ingredients and packaged food products and frequently introduce new products into the market. If our competitors introduce products that are more appealing to the tastes and dietary habits of consumers or considered to be of higher quality or value than our products, our sales and market share could decline, which may have a material adverse effect on our profitability. Consumer food preferences are difficult to predict and may change Our success depends, in part, on our ability to predict, identify, and interpret the tastes and dietary habits of consumers and to offer products to our customers that appeal to those preferences on a timely and affordable basis. Consumer preferences and trends change based on a number of factors, including product taste and nutrition, food allergies, sustainability values, and animal welfare concerns. Our failure to anticipate and respond to changing consumer preferences on a timely basis could result in reduced demand and price decreases for our products, which could have a material adverse effect on our business, financial condition, and results of operations. SUNOPTA INC. December 31, 2022...... condition, and results of operations. We may not realize some or all of the anticipated benefits of our capital investment plans in the anticipated time frame or at all We ~~are currently undergoing~~ **have recently completed** the largest capital expansion in our company' s history, ~~including~~ **which included** the construction of our new plant- based beverage facility in Midlothian, Texas. Our capital investment plans often require a substantial amount of management, operational, and financial resources, which may divert our attention and resources from existing businesses, potentially disrupting our operations and adversely affecting our relationships with customers and suppliers. In addition, delays and unexpected costs in connection with the completion of capital expansion projects, or changes in demand and pricing for our products may occur that could result in us not realizing all or any of the anticipated benefits of our capital investment plans on our expected timetable or at all, and there can be no assurance that any benefits we realize from our capital investments will be sufficient to offset the costs that we may incur. **SUNOPTA INC. December 30, 2023 Form 10- K** Our operations are subject to the general risks associated with acquisitions and divestitures We ~~have made several business and asset acquisitions and divestitures in recent years that align with our strategic priority of optimizing our non- core businesses and focusing on high- growth, high- return opportunities. We~~ regularly review strategic opportunities to grow **our business** through acquisitions ~~and to divest~~ **of complementary businesses or assets. Additionally, we have made several significant divestitures in recent years that aligned with our strategic priority of optimizing our** non- core **, commodity- based** businesses and ~~/ or underperforming assets~~ **focusing on value- add opportunities** . Potential risks associated with these transactions include the inability to consummate a transaction on favorable terms, the diversion of management' s attention from other business concerns, the potential loss of key employees and customers of current or acquired companies, the inability to integrate or divest operations successfully, the possible assumptions of unknown liabilities, potential disputes with buyers or sellers, potential impairment charges, and the inherent risks in entering markets or lines of business in which the Company has limited or no prior experience. Any or all of these risks could have a material and adverse impact on our business, financial condition, and results of operations. In addition, acquisitions outside the U. S. or Canada may present unique challenges and increase our exposure to the risks associated with foreign operations. **SUNOPTA INC** ~~a material impact on our consolidated results of operations,financial condition and cash flows~~ . ~~In addition,a portion of the aggregate purchase price was in the form of secured seller promissory notes due in three years and with a stated principal amount of $ 20.0 million in the aggregate (the" Seller Promissory Notes") that the Company entered into with the Purchasers and Nature' s Touch Frozen Foods,LLC (collectively the" Loan Parties").The Seller Promissory Notes are secured by a second- priority lien on certain assets of Frozen Fruit acquired by the Purchasers.While we assessed the Seller Promissory Notes to be collectible as at~~ December ~~30~~ **31** , ~~2023~~ **2022 Form 10- K** ~~,a deterioration in the liquidity of the Loan Parties could impact the collectability of the Seller Promissory Notes.~~ Impairment charges related to long- lived assets or goodwill could adversely impact our financial condition and results of operations As at December ~~30~~ **31** , ~~2023~~ **2022** ,we had $ ~~319~~ **321** . ~~9~~ **4** million of property,plant and equipment,$ ~~105~~ **135** . ~~9~~ **6 million of intangible assets,and $ 82.6** million of operating lease right- of- use ~~assets,and $ 21.9 million of intangible~~ assets,as well as $ 4.0 million of goodwill.In addition,prior to fiscal 2019,we recognized accumulated impairment losses of $ 213.8 million related to goodwill that arose from business acquisitions.We perform impairment ~~assessments for~~ **tests of** our long- lived assets annually,or at any time when events occur that could affect the value of these assets.If the results of such assessments were to show that the carrying value of our long- lived assets was not recoverable and the fair value of these assets was less than the carrying value,we would be required to recognize a charge for impairment,and the amount of the impairment charge could be material.Factors which could result in an impairment of a long- lived ~~assets~~ - **asset** include,but are not limited to,reduced demand or pricing for our products due to increased competition,the loss of a significant customer or market share,or a current expectation that,more likely than not,a long- lived asset may be disposed of before the end of its previously estimated useful life.Likewise,we perform an annual impairment test for goodwill,or at any time when events occur that could indicate that more likely than not the carrying value of a reporting unit exceeds its fair value.Indicators of goodwill impairment include,but are not limited to,a decline in general economic conditions,an increased competitive environment in which a reporting unit operates,a negative trend in the financial performance and cash flows of the reporting unit,and a more- likely- than- not expectation of selling or disposing of all,or a portion,of a reporting unit.For the year ended December ~~30~~ **31** , ~~2023~~ **2022** , **we incurred a pre- tax loss** on **the sale of our sunflower business of $ 23.2 million,of which** a ~~continuing~~ **significant portion was comprised of the carrying value of the long- lived assets of the business.In addition,we may explore the disposal of other assets or businesses in the future,which could result in material disposal and impairment charges in future periods,which could adversely impact our business,financial condition,and results of** operations ~~basis~~ **.We may also engage in additional acquisitions in the future** , ~~we did~~ **which could result in the recognition of additional long- lived assets and goodwill.If the financial performance of the acquired businesses or assets does** not ~~recognize any~~ **meet our expectations,we could be required to record subsequent** ~~impairment~~ **impairments** ~~charges related~~ to **the acquired long- lived assets and /** ~~our~~ - **or** ~~long- lived assets~~ **goodwill,which could materially and adversely impact** ~~or~~ **our** ~~goodwill.Within discontinued~~ **business,financial condition,and results of** operations **.** ~~,we incurred a~~ SUNOPTA INC. December ~~31~~ **30** , ~~2022~~ **2023** Form 10- K We may require additional capital, which...... are unable to realize adequate returns. If we lose the services of our key executives, our business could suffer Our prospects depend to a significant extent on the continued service of our key executives, and our continued growth depends on our ability to identify, recruit, and retain key management personnel. We do not typically carry key person life insurance on our executive officers. If we lose the services of our key executives or fail to identify, recruit, and retain key management personnel, our business, financial condition and results of operations may be materially and adversely impacted. **Failure of our internal control over financial reporting could harm our business and financial results Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with United States generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and in a timely manner, or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and / or a decline in the market price of our stock. In connection with the preparation of our consolidated financial statements as of and for the fiscal year ended December 31, 2022, we identified a material weakness in our internal control over financial reporting. This material weakness was remediated during the fiscal year ended December 30, 2023. The identified material weakness and associated remediation efforts are further described in Part II, Item 9A of this Form 10- K. Even after any identified material weaknesses have been remediated, investors may lose confidence in our reported financial information and the market price of our common shares may decline.** Risks Related to ~~penalties,legal claims or proceedings,remediation costs,or loss of revenues or customers.Consequently,any failure or breach of our information technology systems could have a material adverse effect on our business,financial condition and results of operations.~~ Risks Related to Weather,Climate Change,and Other External Factors Adverse weather conditions and natural disasters could impose costs on our business **Agricultural commodities and** ~~Ingredients~~ **ingredients** for our products are vulnerable to adverse weather conditions and natural disasters,including windstorms,hurricanes,earthquakes,floods,droughts,fires,and temperature and precipitation extremes,some of which are recurring but difficult to predict,as well as crop disease and infestation **.For example,we source most of the oats that we use in the production of our products from Canada,which experienced significantly reduced oat growth and harvest in 2021 due to severe heat and drought.In addition,approximately 10 percent of our strawberry supply is sourced from California,which has experienced severe drought conditions and significant wildfires from time to time,resulting in lost and damaged crops** .Severe weather conditions may occur with higher frequency or may be less predictable in the future due to the effects of climate change.Unfavorable growing and harvesting conditions could reduce both crop size and crop quality.In extreme cases,entire harvests may be lost in some geographic areas.Adverse weather conditions or natural disasters may adversely affect our supply of raw materials or prevent or impair our ability to ship products as planned.These factors may increase raw material acquisition and production costs,decrease our sales volumes and revenues,and lead to additional charges to earnings,which could have a material adverse effect on our business,financial condition,and results of operations. ~~SUNOPTA INC.December 30,2023 Form 10- K~~ Climate change,or legal,regulatory or market measures to address climate change,may negatively affect our business,financial condition and results of operations Long- term climate change impacts on global temperatures,weather patterns,and the frequency and severity of extreme weather and natural disasters may negatively impact the price or availability of **agricultural commodities and** ingredients **,as well as other raw materials** and packaging ~~materials~~ (such as corrugated cardboard) that are necessary for our products.We may also be subjected to decreased availability of and / or less favorable pricing for water,which could adversely impact our manufacturing operations.There is an increased focus by U.S.federal,state and local regulatory and legislative bodies,as well as foreign bodies,regarding environmental policies relating to climate change,regulating greenhouse gas emissions,energy policies,and sustainability.Increased compliance costs and expenses due to the impacts of climate change and additional legal or regulatory requirements regarding climate change may cause disruptions in,or an increase in the costs associated with,the running of our manufacturing facilities and our business,as well as increase distribution and supply chain costs.In addition,compliance with any such legal or regulatory requirements may require us to make significant changes in our business operations and strategy,which will likely require us to devote substantial time and attention to these matters and cause us to incur additional costs.Even if we make changes to align ourselves with such legal or regulatory requirements,we may still be subject to significant penalties or potential litigation if such laws and regulations are interpreted and applied in a manner inconsistent with our practices.The effects of climate change and legal or regulatory initiatives to address climate change could have a long- term adverse impact on our business and results of operations. ~~Additionally,we might fail to effectively address increased attention from customers,consumers,investors,activists and other stakeholders on climate change and related environmental sustainability matters.~~ Our Indebtedness and Liquidity Increases in interest rates ~~or changes in our credit ratings~~ may negatively impact our cost of borrowing and access to capital financing To address inflation, the U. S. Federal Reserve implemented tighter monetary policies **beginning** in 2022, causing interest rates to rise significantly, which negatively impacted the cost of borrowing on our variable rate debt **beginning** ~~in 2022, as well as the implicit rate of interest for finance leases that commenced~~ in 2022. As at December ~~31~~ **30** , ~~2022~~ **2023** ~~, we had total outstanding variable rate debt of approximately $ 184 million, at a weighted- average interest rate of 6. 89 % (January 1, 2022- 2. 34 %). In addition, as at December 31, 2022~~ , we had approximately $ ~~45~~ **212** million of **variable** ~~open finance lease commitments related to planned capital expansion projects. These finance lease commitments typically include a floating lease~~ rate **debt outstanding under our credit agreement** ~~factor based on changes in underlying interest rates prior to the lease commencement date~~ . We expect interest rates to remain at elevated levels in ~~2023~~ **2024** , and we continue to be exposed to further changes in interest rates ~~. In addition~~ , **which** ~~a downgrade in our credit ratings~~ could **have** ~~increase our borrowing costs and could affect our ability to access additional bank or~~

~~subordinated financing in order to meet our operating and investing needs. As a result, interest rate or credit rating changes could~~ a material negative impact on our business, financial ~~position~~ **condition** , ~~and~~ results of operations **and cash flows** . **SUNOPTA INC. December 30, 2023 Form 10- K** Our level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our debt obligations As at December ~~31~~ **30** , ~~2022~~ **2023** , we have a significant amount of indebtedness outstanding as a result of the capital investments we have made in recent years. The level of our indebtedness and the degree to which we are leveraged could adversely affect our business, financial condition, and results of operations, including, without limitation, increasing our exposure to interest rate fluctuations and impairing our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, or other general corporate purposes. In addition, we may have to use a substantial portion of our cash flow to pay principal and interest on our indebtedness, which may reduce the funds available to us for other purposes. If we do not generate sufficient cash flows to satisfy our debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital expenditures, or seeking to raise additional capital. A high level of indebtedness and leverage could also make us more vulnerable to economic downturns and adverse industry conditions and may compromise our ability to capitalize on business opportunities, and to react to competitive pressures as compared to our competitors. Our debt and equity agreements restrict how we may operate our business, and our business may be materially and adversely affected if these restrictions prevent us from implementing our business plan The agreements governing our debt and preferred equity instruments contain restrictive covenants that limit the discretion of our management with respect to certain business matters. These covenants place restrictions on, among other things, our ability to obtain additional debt financing or preferred equity, to create other liens, to complete a merger, amalgamation, or consolidation, to make certain distributions or make certain payments, investments and guarantees and to sell or otherwise dispose of certain assets. These restrictions may hinder our ability to execute on our growth strategy or prevent us from implementing parts of our business plan. ~~SUNOPTA INC. December 31, 2022 Form 10- K~~ Our business could be materially and adversely affected if we are unable to meet the financial covenants of our credit agreement Our credit agreement requires us to maintain a minimum fixed charge coverage ratio ~~if excess availability is below certain thresholds~~ and a maximum ~~senior funded~~ **consolidated total net** leverage ratio ~~covenant with respect to the delayed draw term loan facility~~ . Our ability to comply with the financial covenants under the credit agreement will depend on the success of our businesses, our operating results, and our ability to achieve our financial forecasts. Various risks, uncertainties and events beyond our control could affect our ability to comply with the financial covenants and terms of the credit agreement. Failure to comply with the financial covenants and other terms could result in an event of default and the acceleration of amounts owing under the credit agreement unless we are able to negotiate a waiver. The lenders could condition any such waiver on an amendment to the credit agreement on terms, including, but not limited to, the payment of consent fees, ~~that~~ **which** may be unfavorable to us. If we fail to comply with the financial covenants and we are unable to negotiate a covenant waiver or replace or refinance the credit agreement on favorable terms, our business, financial condition and results of operations could be materially and adversely impacted ~~.~~ We may require additional capital,which may not be available on favorable terms or at all Our working capital requirements,capital investment plans,and our ability to acquire complementary businesses or assets often require significant financial resources.Our ability to raise capital,through debt or equity financing,is directly related to our ability to both continue to grow our revenues and improve the profitability of our operations.Debt or equity financing may not be available to us on favorable terms or at all.In addition,any potential debt financing could adversely affect our financial condition and increase our exposure to interest rate changes,while any potential equity financing would dilute our current shareholders and may result in a decrease in our share price if we are unable to realize adequate returns **.** . Our ability to maintain current levels of working capital may be adversely affected if we are unable to utilize supply chain financing (" SCF") programs to ~~extend payment terms for certain suppliers, and~~ accelerate payment terms for certain customers ~~Our principal source of liquidity is operating cash flows supplemented by debt borrowings for seasonal inventory builds, major capital expenditures, and other significant transactions.~~ To improve working capital efficiency, we utilize SCF programs offered by some of our major customers that allow us to monetize our receivables from those customers earlier than our payment terms would provide ~~. We also offer our own SCF program, through a participating financial institution, to selected suppliers in order to extend payment terms with those suppliers~~ . To the extent that these various SCF programs were terminated, our financial condition, cash flows, and liquidity could be adversely affected by higher working capital levels due to delays in collecting accounts receivables ~~, or by the shortening of supplier payment terms~~ . If working capital is negatively impacted by the termination of these programs, and we are unable to secure alternative financing sources, we may have to increase our debt borrowings, along with the associated interest expense. Risks Related to Weather, Climate Change...... our business and results of operations. SUNOPTA INC. December ~~31~~ **30** , ~~2022~~ **2023** Form 10- K ~~Additionally, we might fail to effectively address increased attention from customers, consumers, investors, activists and other stakeholders on climate change and related environmental sustainability matters. Such failure, or the perception that we have failed to act responsibly regarding climate change, whether or not valid, could result in adverse publicity and negatively affect our business and reputation. In addition, customers and consumers may choose to stop purchasing our products or purchase products from another company or a competitor, and our business, financial condition and results of operations may be materially and adversely affected. Furthermore, we may from time to time establish and publicly announce goals and commitments to reduce our impact on the environment. For example, we have established targets through 2027 to reduce our use of natural gas, electricity and water on a per capita basis as a compared to our 2019 baseline. Our ability to achieve any stated goal or commitment is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include evolving regulatory requirements affecting sustainability standards or disclosures, the development of new environmental technologies to address climate change, and the availability of financing to support climate-related projects. In addition, we may determine that it is in the best interest of our company and our shareholders to prioritize other business investments over the achievement of our current environmental goals and commitments based on economic~~

conditions, changes in our business strategy, or pressure from investors or other stakeholders. If we fail to achieve or are perceived to have failed or been delayed in achieving, or improperly report our progress toward achieving our goals and commitments, it could negatively affect customer and consumer preference for our products or investor confidence in our business, as well as expose us to enforcement actions and litigation. Our business may be adversely affected by the availability of non- GMO and organic commodities and ingredients Our ability to ensure a continuing supply of non- GMO and organic commodities and ingredients at competitive prices depends on many factors beyond our control, including the number and size of farms that grow non- GMO and organic crops. The non- GMO and organic raw materials that we use in the production of our products, including, among others, fruits, grains, nuts, sweeteners, and flavorings, are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, water scarcity, temperature extremes, frosts, earthquakes, and pestilences. Natural disasters and adverse weather conditions can reduce crop size and crop quality, which in turn could reduce our supplies of and / or increase the price of non- GMO and organic raw materials. If our supplies of non- GMO and organic raw materials are reduced, we may not be able to find enough supplemental supply sources on favorable terms, if at all, which could impact our ability to supply product to our customers and adversely affect our business, financial condition, and results of operations. Our operations are influenced by agricultural policies We are affected by governmental agricultural policies such as price supports and acreage set aside programs, and these types of policies may affect our business. The production levels, markets and prices of the agricultural products that we use in our business may be materially affected by government programs, which include acreage control and price support programs of the USDA. Revisions in these and other comparable programs, in the U. S. and elsewhere, could have a material and adverse effect on our business, financial condition, and results of our operations. Fluctuations in foreign currency exchange rates could adversely affect our business We are exposed to foreign currency exchange rate fluctuations in our non- U. S.- based operations located in Mexico and Canada, as these operations purchase raw materials and incur operating costs in local currencies. As a result, a weakening of the U. S. dollar relative to the Mexican peso or Canadian dollar may result in an increase in our cost of goods sold and a decrease in our gross margins reported in U. S. dollars. From time to time, we enter into foreign currency exchange contracts to manage our exposure to fluctuations in foreign currency exchange rates; however, these contracts may not effectively limit or eliminate our foreign exchange risk exposure. As a result, future foreign exchange rate fluctuations could adversely affect our business, financial condition, and results of operations. SUNOPTA INC. December 31, 2022 Form 10- K Our foreign operations and suppliers expose us to additional risks Our operations and raw material suppliers outside of the U. S. and Canada expose us to certain risks inherent in doing business abroad, including exposure to local laws and regulations, political and civil unrest, and economic conditions. For example, our frozen fruit processing facility in Mexico is located in the State of Michoacán, near areas where there have been incidents of unrest. If we grow our business globally, we may have difficulty anticipating and effectively managing these and other risks, which could adversely impact our business, financial condition, and results of operations. Risks Related to Regulations and Litigation Product liability suits, recalls and threatened market withdrawals, could have a material adverse effect on our business Many of our products are susceptible to harmful bacteria, and the sale of food products for human consumption involves the risk of injury or illness to consumers. Such injuries may result from inadvertent mislabeling, tampering by unauthorized third parties, faulty packaging materials, product contamination, or spoilage. Under certain circumstances, our customers or we may be required to recall or withdraw products, which may lead to a material and adverse effect on our business, financial condition or results of operations. Our customers may also voluntarily recall or withdraw a product we manufactured or packaged, even without consulting us, which could increase our potential liability and costs and result in lost sales. A product recall or withdrawal could result in significant losses due to the costs of the recall, the destruction of product inventory, and lost sales due to the unavailability of products for a period of time. In addition, a recall or withdrawal may cause us to lose future revenues from, or relationships with, one or more material customers, and the impact of the recall or withdrawal could affect our customers' willingness to continue to purchase related or unrelated products from us or could otherwise hinder our ability to grow our business with those customers. We could also be forced to temporarily close one or more of our manufacturing facilities. Even if a situation does not necessitate a recall or withdrawal, product liability claims might be asserted against us. If a product recall or withdrawal were to lead to a decline in sales of a similar or related product sold by a customer or other third party, that party could also initiate litigation against us. While we are subject to governmental inspection and regulations and believe our facilities and those of our co- packers comply in all material respects with all applicable laws and regulations, if the consumption of any of our products causes, or is alleged to have caused, a health- related illness in the future, we may become subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or physical harm could adversely affect our reputation with existing and potential customers and consumers, as well as our corporate and brand image. Furthermore, future claims or liabilities of this sort might not be covered by our insurance or by any rights of indemnity or contribution that we may have against others. Further, we may incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage. A product liability judgment against us or a future product recall could have a material and adverse effect on our business, financial condition, and results of operations. Litigation and regulatory enforcement concerning marketing and labeling of food products could adversely affect our business and reputation The marketing and labeling of any food product in recent years has brought increased risk that consumers will bring class action lawsuits and that the FTC and / or state attorneys general will bring legal action concerning the truth and accuracy of the marketing and labeling of the product. Examples of claims that may be asserted in a consumer class action lawsuit include fraud, unfair trade practices, and breach of state consumer protection statutes (such as Proposition 65 in California). The FTC and / or state attorneys general may bring legal actions that seek to remove a product from the marketplace and / or impose fines and penalties. Even if not merited, class claims, actions by the FTC or state attorneys general enforcement actions could be expensive to defend and could adversely affect our reputation with existing and potential customers and consumers, as well as our corporate and brand image, which could have a material and

~~adverse effect on our business, financial condition, and results of operations. Food safety concerns and instances of food- borne illnesses caused by third parties could harm our business Our internal processes and training may not be fully effective in preventing contamination of food products that could lead to food- borne illnesses. We rely on third- party suppliers and distributors, which increases the risk that food- borne illness incidents (such as e. coli, salmonella, or listeria) could occur outside of our control and at multiple locations. If consumers lose confidence in the safety and quality of our products or organic products generally, even in the absence of a recall or a product liability case, our business, financial condition and results of operations could be materially and adversely affected. Instances of food- borne illnesses, whether real or perceived, and whether or not traceable to our operations or the result of our actions or omissions, could cause negative publicity about us or our products, which could adversely affect sales. Food safety concerns and instances of food- borne illnesses and injuries caused by contaminated products sold by third parties could cause customers to shift their preferences, even if no food- borne illnesses or injuries are traced to our products. As a result, our sales may decline. Loss of customers as a result of these health concerns or negative publicity could harm our business, financial condition, and results of operations. SUNOPTA INC. December 31, 2022 Form 10- K We are subject to significant food and health laws and regulations We are affected by a wide range of governmental regulations in the U. S., Canada, and Mexico. These laws and regulations are implemented at the national level (including, among others, federal laws and regulations in the U. S. and Canada) and by local subdivisions (including, among others, state laws in the U. S. and provincial laws in Canada). Examples of laws and regulations that affect us include laws and regulations applicable to: These laws and regulations affect various aspects of our business. For example, certain food ingredient products that we manufacture may require pre- market approval by the FDA that the ingredient is" generally recognized as safe," or" GRAS." We believe that most food ingredients for which we have commercial rights are GRAS. However, this status cannot be determined until actual formulations and uses are finalized. As a result, we may be adversely impacted if the FDA determines that our food ingredient products do not meet the criteria for GRAS. In addition, certain USDA regulations set forth the minimum standards producers must meet in order to have their products labeled as" certified organic," and we manufacture a number of organic products that are covered by these regulations. While we believe our products and our supply chain are in compliance with these regulations, changes to food regulations may increase our costs to remain in compliance. We could lose our" organic" certification if a facility becomes contaminated with non- organic materials or if we do not use raw materials that are certified organic. The loss of our" organic" certification could materially and adversely affect our business, financial condition, and results of operations. Our business is also required to comply with the Food Safety Modernization Act (" FSMA") and the FDA' s implementing regulations. FSMA requires, among other things, that food facilities conduct a contamination hazard analysis, implement risk- based preventive controls, and develop track- and- trace capabilities. If we are found to be in violation of applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions or recalls, as well as potential criminal sanctions, any of which could have a material adverse effect on our business. Our business is subject to the Perishable Agricultural Commodities Act (" PACA"). PACA regulates fair trade standards in the fresh produce industry and governs our purchases of fresh produce and sales of frozen produce. We source fresh produce under licenses issued by the USDA, as required by PACA. Our failure to comply with the PACA requirements could, among other things, result in civil penalties, suspension or revocation of our licenses to sell produce, and in certain cases, criminal prosecution, which could have a material and adverse effect on our business, financial condition, and results of operations. Changes in any government laws and regulations applicable to our operations could increase our compliance costs, negatively affect our ability to sell certain products or otherwise adversely affect our results of operations. In addition, while we believe we are in material compliance with all laws and regulations applicable to our operations, we cannot be certain that we have been, or will at all times be, in compliance with all food production and health requirements, or that we will not incur material costs or liabilities in connection with these requirements. Our failure to comply with any laws, regulations or policies applicable to our business could result in fines, lawsuits, enforcement actions, penalties or loss of the ability to sell certain products, any of which could materially and adversely affect our business, financial condition, and results of operations. We are subject to substantial environmental regulation and policies We are, and expect to continue to be, subject to substantial U. S. federal, state and local environmental regulations, as well as foreign regulations. Some of the key environmental regulations to which we are subject include air quality regulations of the EPA and certain city, state and provincial air pollution control groups, waste treatment / disposal regulations, sewer regulations under agreements with local city sewer districts, regulations governing hazardous substances, stormwater regulations and bioterrorism regulations. For a more detailed summary of the environmental regulations and policies to which we are subject, see" Item 1. Business- Regulation" of this report. Our business also requires that we have certain permits from various state, provincial and local authorities related to air quality, water consumption and treatment, stormwater discharge, solid waste, land spreading, and hazardous waste. SUNOPTA INC. December 31, 2022 Form 10- K If our safety procedures for handling and disposing of potentially hazardous materials in certain of our businesses were to fail, we could be held liable for any damages that result, and any such liability could exceed our resources. We may be required to incur significant costs to comply with environmental laws and regulations in the future. In addition, changes to environmental regulations may require us to modify our existing plant and processing facilities and could significantly increase the cost of those operations. The foregoing environmental regulations, as well as others common to the industries in which we participate, can present delays and costs that can adversely affect business development and growth. If we fail to comply with applicable laws and regulations, we may be subject to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, any changes to current regulations may impact the development, manufacturing, and marketing of our products, and may have a negative impact on our future results of operations. Changes in laws and regulations of privacy and protection of user data could adversely affect our business We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage, and use of proprietary information and personally- identifying information, including the California Consumer Privacy Act of~~

~~2018. The regulatory environment surrounding information security and data privacy varies from jurisdiction to jurisdiction and is constantly evolving and increasingly demanding. The restrictions imposed by such laws continue to develop and may require us to incur substantial costs, adopt additional compliance measures, such as notification requirements and corrective actions in the event of a security breach, and / or change our current or planned business models. If our current security measures and data protection policies and controls are found to be non- compliant with relevant laws or regulations in any jurisdiction where we conduct business, we may be subject to penalties and fines, and may need to expend significant resources to implement additional data protection measures. In addition, we may be required to modify the features and functionality of our system offerings in a way that is less attractive to customers. Changes in laws or regulations governing foreign trade or taxation could adversely affect our business Changes in governmental laws or regulations affecting foreign trade or taxation, or the introduction of new laws or regulations, may have a direct or indirect effect on our business or those of our customers or suppliers. Such changes could increase the costs of doing business for the Company, our customers, or suppliers, or restrict our actions, causing our results of operations to be adversely affected. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. In addition, governmental tax authorities are increasingly scrutinizing the tax positions of companies. If U. S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition and results of operations could be adversely impacted. If the material weaknesses we have identified in our internal control over financial reporting persist or if we fail to establish and maintain effective internal control over financial reporting, our ability to accurately report our financial results could be adversely affected In connection with the preparation of our consolidated financial statements as of and for the year ended December 31, 2022, our management conducted an assessment of the effectiveness of our internal control over financial reporting. In connection with that assessment, we identified a material weakness in our internal control over financial reporting. Exchange Act Rule 12b- 2 and Rule 1- 02 (b) of Regulation S- X define a material weakness as 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 consolidated financial statements will not be prevented or detected and corrected on a timely basis. The identified material weakness is further described in Part II, Item 9A of this Form 10- K. SUNOPTA INC. December 31, 2022 Form 10- K Our remediation efforts regarding the material weakness are also described in Part II, Item 9A of this Form 10- K. While we are confident that that our remediation plan will fully remediate the identified material weakness, it is possible that our remedial measures may not be sufficient or may take longer than anticipated. If our remedial measures are insufficient to address the material weakness, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results. Even after the identified material weakness has been remediated, investors may lose confidence in our reported financial information and the market price of our common shares may decline. Risks Related to Intellectual Property and Information Technology We rely on protection of our intellectual property and proprietary rights Our success depends in part on our ability to protect our intellectual property rights. We rely primarily on patent, copyright, trademark, and trade secret laws to protect our proprietary technologies. Our policy is to protect our technology by, among other things, filing patent applications for technology relating to the development of our business in the U. S. and in selected foreign jurisdictions. Our trademarks and brand names are registered in the U. S., Canada, and other jurisdictions. We intend to keep these filings current and seek protection for new trademarks to the extent consistent with business needs. We also rely on trade secrets and proprietary know-how and confidentiality agreements to protect certain of the technologies and processes that we use. The failure of any patents, trademarks, trade secrets or other intellectual property rights to provide protection to our technologies would make it easier for our competitors to offer similar products, which could result in lower revenues and / or margins and could have a material adverse effect on our business, financial condition and results of operations. Technology failures could disrupt our operations and negatively impact our business In the normal course of business, we rely on information technology systems to process, transmit, and store electronic information. For example, our production and distribution facilities and inventory management utilize information technology to increase efficiencies and limit costs. Information technology systems are also integral to our internal and external financial reporting. Furthermore, a significant portion of the communications between, and storage of personal data of, our personnel, customers, consumers, and suppliers, depends on information technology. Our information technology systems may be vulnerable to a variety of interruptions as a result of updating our enterprise platform or due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers, and other security issues. These events could compromise our confidential information, impede, or interrupt our business operations, and may result in other negative consequences, including remediation costs, loss of revenue, litigation and reputational damage. Our reputation and our relationships with customers, consumers and suppliers would be harmed if our systems are accessed by unauthorized persons We maintain certain personal data, including personal data regarding our personnel, customers, consumers, and suppliers. This data is maintained on our own systems, as well as systems of third parties we use in our operations. If a breach or other breakdown results in the disclosure of confidential or personal information, we may suffer reputational, competitive and / or business harm. While we have implemented administrative and technical controls and taken other preventive actions to reduce the risk of cyber incidents and protect our information technology, our controls and other preventative actions may be insufficient to prevent physical and electronic break- ins, cyber-attacks or other security breaches to our computer systems. Our insurance may not provide sufficient coverage to protect against related losses. Consequently, any data breach or other access of our systems by unauthorized persons could have a material adverse effect on our business, financial condition and results of operations.~~ Risks Related to Significant Investors and Shareholder Activism Our significant investor may have interests that conflict with those of our debtholders and other stakeholders As at December ~~31~~ **30** , ~~2022~~ **2023** , Oaktree Capital Management L. P., a private equity investor (together with its affiliates," Oaktree") held an approximately ~~19~~ **20** % voting interest in the Company and has nominated two members of our Board of Directors. The interests of Oaktree may differ from the interests of our other stakeholders in material respects. For example, Oaktree may have an interest in directly or indirectly pursuing acquisitions, divestitures, financings, or other transactions that, in their judgment, could enhance their other equity investments, even though such transactions might involve risks to us, including risks to our liquidity and financial condition. Oaktree is in the business of making or advising on investments in companies, including businesses that may directly or indirectly compete with certain portions of our business. Oaktree may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. ~~SUNOPTA INC. December 31, 2022 Form 10- K~~ Our other large investors do not have specific rights beyond those of smaller holders of our common shares. However, a concentration of ownership within our large investors could potentially be disadvantageous to, or conflict with, interests of our debtholders or smaller shareholders. In addition, if any significant shareholder were to sell or otherwise transfer all or a large percentage of its holdings, we could find it difficult to raise capital, if needed, through the sale of additional equity securities. Our business could be negatively impacted as a result of shareholder activism or an unsolicited takeover proposal or a proxy contest In recent years, proxy contests and other forms of shareholder activism have been directed against numerous public companies. If a proxy contest or an unsolicited takeover proposal is made with respect to us, we could incur significant costs in defending the Company, which would have an adverse effect on our financial results. Shareholder activists may also seek to involve themselves in the governance, strategic direction, and operations of the Company. Such proposals may disrupt our business and divert the attention of our management and employees, and any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers, and make it more difficult to attract and retain qualified personnel and business partners, all of which could adversely affect our business. In addition, actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Risks Related to Ownership of our Common Shares Our share price is subject to significant volatility Our share price may be highly volatile compared to larger public companies, which increases the chance of larger than normal price swings that could reduce predictability in the price of our common shares and impair investment decisions. In addition, price and volume trading volatility in the stock markets can have a substantial effect on our share price, frequently for reasons other than our operating performance. These broad market fluctuations could adversely affect the market price of our common shares. Periods of volatility in the overall market and the market price of a company' s securities is often followed by securities class action litigation alleging material misstatements or omissions in disclosures provided to shareholders. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. Our debt instruments restrict, and our future debt instruments may restrict, our ability to pay dividends to our shareholders, and we do not currently intend to pay any cash dividends on our common shares in the foreseeable future; therefore, our shareholders may not be able to receive a return on their common shares until their shares are sold We have never paid or declared any cash dividends on our common shares ~~. We~~ **, and we** do not **currently** anticipate paying any cash dividends on our common shares in the foreseeable future ~~because, among other reasons, we currently intend to retain any future earnings to finance the growth of our business~~ . ~~The~~ **Any** future payment of dividends will be dependent on factors such as covenant restrictions, cash on hand, or achieving and maintaining profitability, the financial requirements to fund growth, our general financial condition, and other factors we may consider appropriate in the circumstances. Until we pay dividends, which we may never do, our shareholders will not receive a return on their common shares until their shares are sold, and any return will depend on the ability to sell their shares at a price higher than they paid to acquire them. **SUNOPTA INC. December 30, 2023 Form 10- K** The future issuance of additional common shares in connection with the exchange of convertible preferred stock, vesting of equity- based awards, participation in our employee stock purchase plan and issuance of additional securities could dilute the value of our common shares We have unlimited common shares authorized but unissued. Our articles of amalgamation authorize us to issue these common shares, and we may also issue options, rights, warrants and appreciation rights relating to common shares for consideration and on terms and conditions established by our Board of Directors in its sole discretion. The exchange of outstanding convertible preferred stock, vesting of equity- based awards, participation in our employee stock purchase plan, and issuance of additional securities in connection with acquisitions or otherwise could result in dilution in the value of our common shares and the voting power represented thereby. Furthermore, to the extent common shares are issued pursuant to the exchange of outstanding convertible preferred stock, vesting of equity- based awards, participation in our employee stock purchase plan, and issuance of additional securities, our share price may decrease due to the additional amount of common shares available in the market. The subsequent sales of these shares could encourage short sales by our shareholders and others, which could place further downward pressure on our share price. ~~SUNOPTA INC. December 31, 2022 Form 10- K~~ If securities or industry research analysts do not publish or cease publishing research or reports about our business or if they issue unfavorable commentary or downgrade our common shares, our share price and trading volume could decline The trading market for our common shares relies in part on the research and reports that securities and industry research analysts publish about us, our industry, our competitors and our business. We do not have any control over these analysts. Our share price and trading volumes could decline if one or more securities or industry analysts downgrade our common shares, issue unfavorable commentary about us, our industry or our business, cease to cover our Company or fail to regularly publish reports about us, our industry, or our business. A portion of our assets and certain of our directors are located outside of the U. S.; it may be difficult to effect service of process and enforce legal judgments upon us and certain of our directors A portion of our assets and certain of our directors are located outside of the U. S. As a result, it may be difficult to effect service of process within the U. S. and enforce judgment of a U. S. court obtained against us and certain of our directors. Particularly, our stakeholders may not be able to: **effect service of process within the U. S. on us or certain of our directors; enforce judgments obtained in U. S. courts against us or certain of directors based upon the civil liability provisions of the U. S. federal securities laws; enforce, in a court outside of the U. S., judgments of U. S. courts based on the civil liability provisions of the U. S. federal securities laws; or bring an original action in a court outside of the U. S. to**

enforce liabilities against us or any of our executive officers and directors based upon the U. S. federal securities laws.