

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2023

Arcadia Biosciences, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37383
(Commission File Number)

81-0571538
(IRS Employer
Identification No.)

5950 Sherry Lane
Suite 215
Dallas, Texas
(Address of Principal Executive Offices)

75225
(Zip Code)

Registrant's Telephone Number, Including Area Code: 214 974-8921

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common	RKDA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On March 30, 2023 Arcadia Biosciences, Inc. (the “Company”) issued a press release announcing financial results for the fourth quarter and year ended December 31, 2022. A copy of the press release is furnished as Exhibit 99.1, and the Company’s annual financial information tables are furnished as Exhibit 99.2, to this Current Report on Form 8-K and are incorporated herein by reference.

The information furnished in this Form 8-K, the press release attached as Exhibit 99.1, and the financial information attached as Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained in this Item 2.02, in the press release attached as Exhibit 99.1, and in the financial information attached as Exhibit 99.2, shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Arcadia Biosciences Announces Fourth-Quarter and Full Year 2022 Financial Results and Business Highlights
99.2	Arcadia Biosciences Full Year 2022 Financial Information
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ARCADIA BIOSCIENCES, INC.

Date: March 30, 2023

By: /s/ THOMAS J. SCHAEFER
Thomas J. Schaefer, Chief Financial Officer



Arcadia Biosciences (RKDA) Announces Fourth-Quarter and Full-Year 2022 Financial Results and Business Highlights

- Total revenues increased 47% compared to prior year --
- Total operating expenses declined 32% year-over-year --
- GoodWheat™ pasta in over 1200 stores within 7 months of launch --

DAVIS, Calif. (March 30, 2023) – Arcadia Biosciences, Inc.® (Nasdaq: RKDA), a producer and marketer of innovative, plant-based health and wellness products, today released its financial and business results for the fourth quarter and full year of 2022.

“Arcadia has made tremendous progress over the last year,” said Stan Jacot, president and CEO. “We’ve streamlined the business by exiting less profitable brands, and we’re focused on the most compelling opportunities that will build long-term value for our shareholders.

“As a result, we’ve increased sales and gross margins while lowering our operating expenses and cash burn,” said Jacot. “For the full year 2022, our revenues increased 47% compared to 2021, our reported gross margins were positive for the first time in the company’s history, and our cash used in operations declined by nearly 50%.”

“Most importantly, we’ve laid out a long-term strategy for the future success of the company with Project Greenfield, our 3-year plan to unlock the company’s potential and create a path to profitability,” Jacot added. “Building on the successful launch of GoodWheat, we’re focused on launching or acquiring new categories, building distribution, and supporting our retail customers and partners.”

2022 Key Operating and Business Highlights

- Arcadia Successfully Launches GoodWheat™ Pasta. Arcadia launched its non-GMO GoodWheat pasta both in retail and online in Q2 of 2022. Made with just one simple ingredient – Arcadia’s superior wheat grain, carefully cultivated over 16 years – GoodWheat pasta has four times the fiber of regular pasta and nine grams of protein per serving. The initial launch included five of the best-selling pasta varieties – penne, spaghetti, fettuccine, elbow and rotini – and within 7 months of launch, GoodWheat pasta was in more than 1,200 stores nationwide, outperforming expectations.
- Strategic Plan for Long-Term Growth and Profitability. In Q2, Arcadia introduced Project Greenfield, a 3-year plan that aligns the company’s resources around solid,

achievable goals to drive shareholder value, including GoodWheat's retail expansion, driving growth of core brands and partnerships, as well as maintaining an agile organization to cultivate next generation wellness products that make every body feel good, inside and out.

- Streamlined Operations and Improved Margins. In Q3, Arcadia took measures to streamline the business and focus on its higher-margin brands, which included divesting its legacy manufacturing facility, as well as the Saavy Naturals body care brand. As a result, the company increased product margins, and improved operating costs, laying the groundwork for higher quality revenues and long-term growth.
- HB4[®] Soybeans Approved in China. In Q2, Arcadia's former joint venture partner Bioceres (Nasdaq: BIOX) announced the approval by China's Ministry of Agriculture of soybeans produced using Bioceres' HB4 technology for import and use as food and feed. The approval triggered four quarterly milestone payments to Arcadia totaling \$2 million. Arcadia will also receive 6% royalties on future Bioceres HB4 net revenue, up to \$10 million.
- Arcadia Names Stan Jacot as CEO. In the first quarter of 2022, veteran consumer goods leader Stan Jacot joined Arcadia as chief executive officer. Jacot has an impressive track record of implementing transformational business strategies and profitably driving growth, most recently at Jane's Dough Foods where he achieved a double-digit compound annual growth rate during his six-year tenure. Previously, Jacot held senior marketing and operations roles at Mission Foods, Borden Dairy Company, ConAgra Foods and Kellogg Company across the U.S. and Canada. Jacot was selected after a nationwide search to lead Arcadia through its next phase and drive aggressive growth for the company's existing and emerging better-for-you consumer brands.

Recent Highlights

- GoodWheat Pasta Certified as "Heart Healthy" by American Heart Association (AHA). GoodWheat pasta recently received the AHA's Heart-Check certification for all five varieties of its single ingredient noodles. With its high fiber, lower sodium and zero saturated fat, GoodWheat meets the AHA's stringent standards for a heart-healthy pasta and provides consumers with a better-for-you option that delivers superior nutrition with the taste and texture of traditional pasta. Consumers who are looking for heart-healthy wheat pasta can now enjoy great taste along with 8g of fiber and 9g of protein per serving.

Arcadia Biosciences, Inc.
Financial Snapshot
(Unaudited)
(\$ in thousands)

	Three months ended Dec 31				Twelve months ended Dec 31			
	2022	2021	Favorable/ (Unfavorable)		2022	2021	Favorable/ (Unfavorable)	
			\$	%			\$	%
Total Revenues	1,000	2,171	(1,171)	(54)%	9,956	6,780	3,176	47%
Total Operating Expenses	6,830	15,975	9,145	57%	28,771	42,306	13,535	32%
(Loss) Income From Operations	(5,830)	(13,804)	7,974	58%	(18,815)	(35,526)	16,711	47%
Net (Loss) Income Attributable to Common Stockholders	(4,244)	(9,282)	5,038	54%	(15,376)	(14,660)	(716)	(5)%

More detailed financial statements are included in the Form 8-K filed today, available in the Investors section of the company's website under SEC Filings.

Revenues

Arcadia's 2022 revenues were primarily related to sales of coconut water and body care products, along with GoodWheat pasta and grain. Arcadia's revenues for 2021 were primarily related to sales of coconut water and body care products, as well as GoodWheat grain and GoodHemp™ seeds. As expected, revenues from legacy sources continued to wind down during the year and revenues from GoodWheat products are poised for growth in 2023.

In the fourth quarter of 2022, revenues were \$1.0 million, compared to \$2.2 million during the same period 2021 driven primarily by lower body care sales. Annual revenues for 2022 increased by \$3.2 million compared to 2021 driven by higher coconut water and body care products, along with GoodWheat pasta and grain sales.

Operating Expenses

Operating expenses for the fourth quarter and year ended December 31, 2022, were \$6.8 million and \$28.8 million, respectively, compared to \$16.0 million and \$42.3 million during the same periods in 2021. The quarter-over-quarter decrease in operating expenses were primarily driven by lower cost of revenues, lower write-downs of intangible assets, lower selling, general and administrative expenses ("SG&A"), and the absence of goodwill impairment in the fourth quarter of 2022. The year-over-year decrease in operating expenses is primarily attributable to lower research and development costs ("R&D"), lower write-downs of intangible and fixed assets, lower SG&A, the absence of goodwill impairment and a gain on sale of Verdeca in 2022.

Cost of revenues were \$1.6 million in the fourth quarter of 2022 compared to \$3.8 million during the same period in 2021. The quarter-over-quarter decrease in cost of revenues is primarily due to lower sales in the fourth quarter of 2022. Cost of revenues were \$9.8 million for the year

ended December 31, 2022 compared to \$8.7 million in 2021. The year-over-year increase in cost of revenues is primarily due to higher sales in 2022.

R&D spending of \$501,000 and \$1.5 million in the fourth quarter and year ended December 31, 2022, respectively, decreased by \$59,000 and \$2.4 million compared to the same periods in 2021, primarily due to the increased focus on commercialization versus R&D activities.

SG&A expenses of \$4.2 million and \$18.0 million for the fourth quarter and year ended December 31, 2022, respectively, were \$2.0 million and \$4.9 million lower than the same periods in 2021, primarily driven by lower employee expenses, lease expense and consulting fees in 2022.

Net Loss Attributable to Common Stockholders

Net loss for the fourth quarter of 2022 was \$4.2 million, or a loss of \$6.31 per share, compared to the net loss of \$9.3 million in the fourth quarter of 2021. Net loss for 2022 was \$15.4 million, or a loss of \$25.65 per share, compared to the net loss of \$14.7 million in 2021. Gains of \$10.2 million were realized on the sale of Bioceres stock in 2021, and there were no similar realized gains during 2022. The change in the fair value of the common stock warrant liabilities for 2022 was a non-cash gain of \$3.2 million compared to a non-cash gain of \$8.9 million in 2021.

Conference Call and Webcast

The company has scheduled a conference call for 4:30 p.m. Eastern time (1:30 p.m. Pacific time) today, March 30 to discuss fourth-quarter and year-end results and the year's key strategic achievements. Interested participants can join the conference call using the following options:

- An audio-only webcast of the conference call will be available in the Investors section of Arcadia's website.
- To join the live call, please register here, and a dial-in number and unique PIN will be provided.

Following completion of the call, a recorded replay will be available on the company's investor website.

About Arcadia Biosciences, Inc.

Since 2002, Arcadia Biosciences (Nasdaq: RKDA) has been innovating crops to provide high-value, healthy ingredients to meet consumer demands for healthier choices. With its roots in agricultural innovation, Arcadia cultivates next-generation wellness products that make every body feel good, inside and out. The company's food, beverage and body care products include GoodWheat™, Zola® coconut water, ProVault™ topical pain relief and SoulSpring™ bath and body care. For more information, visit www.arcadiabio.com.

Safe Harbor Statement

“Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995: This press release and the accompanying conference call contain forward-looking statements about the company and its products, including statements relating to the company’s growth, financial performance and commercialization of products. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially, and reported results should not be considered as an indication of future performance. These risks and uncertainties include, but are not limited to: the company’s and its partners’ and affiliates’ ability to develop and sell commercial products incorporating its traits and to complete the regulatory review process for such products; the company’s compliance with laws and regulations that impact the company’s business, including the sale of products containing CBD, and changes to such laws and regulations; the growth of the global wheat market; our ability to continue to make acquisitions and execute on divestitures in accordance with our business strategy or effectively manage the growth from acquisitions; and the company’s future capital requirements and ability to satisfy its capital needs. Further information regarding these and other factors that could affect the company’s financial results is included in filings the company makes with the Securities and Exchange Commission from time to time, including the section entitled “Risk Factors” and additional information that will be set forth in its Form 10-K for the year ended December 31, 2022, and other filings. These forward-looking statements speak only as of the date hereof, and Arcadia Biosciences, Inc. undertakes no duty to update this information.

Arcadia Biosciences Contact:

T.J. Schaefer

ir@arcadiabio.com

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Arcadia Biosciences, Inc.
Consolidated Balance Sheets
(Unaudited)

(In thousands, except share data)

	As of December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,644	\$ 28,685
Accounts receivable and other receivables, net of allowance for doubtful accounts of \$3 and \$76 as of December 31, 2022 and 2021, respectively	1,287	1,370
Inventories, net — current	2,571	4,433
Assets held for sale	87	—
Prepaid expenses and other current assets	809	900
Total current assets	<u>25,398</u>	<u>35,388</u>
Property and equipment, net	704	2,291
Right of use assets	1,848	3,081
Inventories, net — noncurrent	767	2,494
Intangible assets, net	40	484
Other noncurrent assets	165	180
Total assets	<u>\$ 28,922</u>	<u>\$ 43,918</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,881	\$ 3,638
Amounts due to related parties	48	64
Operating lease liability — current	1,010	1,074
Other current liabilities	270	264
Total current liabilities	<u>4,209</u>	<u>5,040</u>
Operating lease liability — noncurrent	1,007	2,220
Common stock warrant and option liabilities	806	3,392
Other noncurrent liabilities	2,000	2,070
Total liabilities	<u>8,022</u>	<u>12,722</u>
Stockholders' equity:		
Common stock, \$0.001 par value—150,000,000 shares authorized as of December 31, 2022 and December 31, 2021; 616,079 and 554,609 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively.	65	63
Additional paid-in capital	278,827	257,515
Accumulated deficit	(257,859)	(226,485)
Total Arcadia Biosciences stockholders' equity	<u>21,033</u>	<u>31,093</u>
Non-controlling interest	(133)	103
Total stockholders' equity	<u>20,900</u>	<u>31,196</u>
Total liabilities and stockholders' equity	<u>\$ 28,922</u>	<u>\$ 43,918</u>

Arcadia Biosciences, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

(In thousands, except share data and per share data)

	Year Ended December 31,	
	2022	2021
Revenues:		
Product	\$ 8,960	\$ 6,587
License	879	17
Royalty	117	—
Total revenues	<u>9,956</u>	<u>6,604</u>
Operating expenses (income):		
Cost of revenues	9,802	8,708
Research and development	1,509	3,889
(Gain) on sale of Verdeca	(1,138)	0
Loss on sale of Arcadia Spain	—	497
Impairment of intangible assets	404	3,302
Impairment of goodwill	—	1,648
Change in fair value of contingent consideration	(70)	(210)
(Gain) on sale of property and equipment	(314)	—
Impairment of property and equipment, net	530	1,534
Selling, general and administrative	18,048	22,938
Total operating expenses	<u>28,771</u>	<u>42,306</u>
Loss from operations	(18,815)	(35,526)
Interest income (expense)	289	(20)
Other income, net	33	10,114
Change in fair value of common stock warrant and option liabilities	3,209	8,946
Gain on extinguishment of PPP loan	—	1,123
Issuance and offering costs	(314)	(769)
Net loss before income taxes	(15,598)	(16,132)
Income tax (provision)	(14)	(2)
Net loss	(15,612)	(16,134)
Net loss attributable to non-controlling interest	(236)	(1,474)
Net loss attributable to common stockholders	<u>\$ (15,376)</u>	<u>\$ (14,660)</u>
Net loss per share attributable to common stockholders:		
Basic and diluted	<u>\$ (25.65)</u>	<u>\$ (27.56)</u>
Weighted-average number of shares used in per share calculations:		
Basic and diluted	<u>599,389</u>	<u>532,016</u>
Other comprehensive loss	—	—
Comprehensive loss attributable to common stockholders	<u>\$ (15,376)</u>	<u>\$ (14,660)</u>

Arcadia Biosciences, Inc.
Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (15,612)	\$ (16,134)
Adjustments to reconcile net loss to cash used in operating activities:		
Change in fair value of common stock warrant and option liabilities	(3,209)	(8,946)
Change in fair value of contingent consideration	(70)	(210)
Issuance and offering costs	314	769
Depreciation	439	929
Amortization of intangible assets	40	116
Lease amortization	884	1,276
Impairment of intangible assets	404	3,302
Impairment of goodwill	0	1,648
(Gain) Loss on disposal of equipment	(314)	23
Loss on disposal of intangible assets	0	222
Stock-based compensation	1,106	1,541
Bad debt expense	60	76
Gain on sale of Verdeca	(1,138)	—
Realized gain on corporate securities	—	(10,221)
Write-down of inventories	2,471	3,593
Gain on extinguishment of PPP loan	—	(1,123)
Impairment of property and equipment	530	1,534
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	592	(40)
Inventories	1,118	(2,383)
Prepaid expenses and other current assets	91	56
Other noncurrent assets	16	(158)
Accounts payable and accrued expenses	(757)	(372)
Amounts due to related parties	(16)	(16)
Unearned revenue	0	(8)
Other current liabilities	6	1
Operating lease payments	(932)	(1,343)
Net cash used in operating activities	<u>(13,977)</u>	<u>(25,868)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	920	19
Proceeds from sale of Verdeca — earn-out received	569	—
Purchases of property and equipment	(72)	(1,007)
Acquisitions, net of cash acquired	—	(4,250)
Proceeds from sales and maturities of investments	—	21,846
Net cash provided by investing activities	<u>1,417</u>	<u>16,608</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, pre-funded warrants and preferred investment options from August 2022 Offering	5,000	—
Payments of offering costs relating to August 2022 Offering	(488)	—
Proceeds from issuance of common stock and warrants from January 2021 PIPE securities purchase agreement	—	25,147
Payments of offering costs relating to January 2021 PIPE securities purchase agreement	—	(1,912)
Principal payments on notes payable	—	(2,146)
Proceeds from exercise of warrants	—	22
Proceeds from exercise of stock options and purchases through ESPP	7	39
Capital contributions received from non-controlling interest	—	750
Net cash provided by financing activities	<u>4,519</u>	<u>21,900</u>
Effects of foreign currency translation on cash and cash equivalents	—	2
Net increase (decrease) in cash and cash equivalents	(8,041)	12,642
Cash and cash equivalents — beginning of period	28,685	16,043
Cash and cash equivalents — end of period	<u>\$ 20,644</u>	<u>\$ 28,685</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	\$ 1	\$ 25
Cash paid for taxes	\$ —	\$ 1
NONCASH TRANSACTIONS:		
Fair value of shares of common stock issued at closing of Arcadia Wellness transaction	\$ —	\$ 2,053
Common stock warrant liabilities reclassified to equity upon adoption of ASU 2020-06	\$ 3,392	\$ —
Common stock options issued to placement agent and included in offering costs related to August 2022 RDO securities purchase agreement	\$ 191	\$ —
Common stock warrants issued to placement agent and included in offering costs related to January 2021 PIPE securities purchase agreement	\$ —	\$ 942
Right of use assets obtained in exchange for new operating lease liabilities	\$ 114	\$ 1,664
Proceeds from sale of property and equipment in accounts receivable and other receivables	\$ 19	\$ —
Proceeds from sale of Verdeca in accounts receivable and other receivables	\$ 569	\$ —

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