

**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): August 10, 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 August 10, 2023, Arcadia Biosciences, Inc. (the “Company”) issued a press release announcing financial results for the second quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1, and the Company's financial information tables for the second quarter ended June 30, 2023 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 Second-Quarter 2023 Financial Results and Business Highlights
99.2	Arcadia Biosciences Second-Quarter 2023 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: August 10, 2023

By: /s/ THOMAS J. SCHAEFER

Thomas J. Schaefer, Chief Financial Officer



Arcadia Biosciences (RKDA) Announces Second-Quarter and First-Half 2023 Financial Results and Business Highlights

- ***GoodWheat™ expands into breakfast category with the launch of better-for-you pancake and waffle mixes***
- ***Exiting Body Care to reduce OpEx, focus on Food & Beverage***
- ***Exploring strategic opportunities to drive shareholder value***

DAVIS, Calif. (August 10, 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 second quarter and first half of 2023.

“Arcadia continues to make progress executing Project Greenfield, our three-year strategic plan to unlock the company’s potential and provide a path to profitability,” said Stan Jacot, president and CEO. “Both GoodWheat™ pasta and Zola® coconut water added hundreds of stores of distribution in Q2, and we are aggressively managing costs, as evidenced by our lowest quarterly operating expense since Q4 of 2020.

“We’ve also embarked on several initiatives to scale more quickly, while simultaneously reducing expenses and complexity, and together, these plans have the potential to accelerate Project Greenfield milestones.”

- GoodWheat Expands Into \$850M Baking Mixes Category with Better-for-You Pancake and Waffle Mixes and Single-Serve Quikcakes™. Launching just in time for back-to-school, Arcadia’s new pancake mixes are made with simple ingredients and its proprietary GoodWheat flour, delivering the same delicious taste and texture of regular pancakes with 8X-11X the fiber and 5-7g of protein per serving. GoodWheat Quikcakes are available nationwide on Amazon, and both Quikcakes and Multi-Serve Pancake & Waffle Mixes began shipping to retailers in August.
- Zola Coconut Water Distribution Grows in Q2, Innovations to Launch in Early 2024. Zola reversed its downward distribution trend in Q2 and grew velocity through adding rack displays in the Produce category. Innovation will ramp up on the brand for the first time in years, with new flavor launches planned in Q1 2024, continuing to accelerate growth in the category.
- Arcadia Streamlines Operations, Exits Body Care Brands ProVault™ and SoulSpring™. As part of its strategy to focus resources on high-opportunity, scalable businesses, Arcadia decided to wind-down its two remaining Body Care brands in order to concentrate on the more promising GoodWheat and Zola brands.

Streamlined operations and organizational changes are expected to result in operating expense savings of \$2 million in the remainder of 2023 and \$3 million to \$4 million annually.

- Arcadia Engages Lake Street Capital Markets to Explore Strategic Opportunities. Arcadia recently initiated a strategic review process to explore a range of potential transactions and opportunities focused on maximizing the GoodWheat value proposition and driving long-term shareholder value. As part of this process, the company will explore strategic options that may include potential acquisition, company sale, merger, business combination, asset sale, joint venture, licensing arrangement, capital raise or other strategic transaction.

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Favorable / (Unfavorable)		2023	2022	Favorable / (Unfavorable)	
			\$	%			\$	%
Total revenues	1,389	3,858	(2,469)	(64%)	2,899	7,078	(4,179)	(59%)
Total operating expenses	5,180	7,641	2,461	32%	10,739	15,484	4,745	31%
Loss from operations	(3,791)	(3,783)	(8)	(0%)	(7,840)	(8,406)	566	7%
Net income (loss) attributable to common stockholders	823	(3,777)	4,600	122%	(8,561)	(8,265)	(296)	(4%)

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

Revenues decreased \$2.5 million and \$4.2 million during the second quarter and first half of 2023, respectively, compared to the same periods in 2022. Revenues during the second quarter and first half of 2022 included sales of GoodWheat grain and body care products that are no longer part of the Arcadia product portfolio in 2023, as well as one-time license revenue recognized in the second quarter of 2022 related to the sale of Verdeca.

Arcadia achieved a \$2 million milestone from Bioceres in the second quarter of 2022 as a result of the HB4[®] soybean approval in China. Based on accounting guidance, \$862,000 was recognized as license revenue and the remaining \$1.1 million was recognized as a gain on the 2020 sale to Bioceres of Arcadia's interest in the Verdeca joint venture.

Operating Expenses

Operating expenses decreased \$2.5 million and \$4.7 million during the second quarter and first half of 2023, respectively, compared to the same periods in 2022.

Cost of product revenues decreased \$2.5 million and \$5.1 million during the second quarter and first half of 2023, respectively, compared to the same periods in 2022. Cost of revenues in the second quarter and first half of 2022 included grain sold at cost, low-margin body care product sales and higher inventory write-downs.

General and administrative (SG&A) expenses decreased \$837,000 and \$791,000 during the second quarter and first half of 2023, respectively, compared to the same periods in 2022, primarily driven by lower employee compensation, insurance and research expenses in 2023.

Net Income (Loss) Attributable to Common Stockholders

Net income attributable to common stockholders for the second quarter of 2023 was \$823,000, or \$0.61 per share, a \$4.6 million improvement from the \$3.8 million, or \$6.81 per share, net loss for the second quarter of 2022. The change in the fair value of the common stock warrant and option liabilities during the second quarter of 2023 resulted in a non-cash gain of \$4.4 million. No such gain was recorded in the second quarter of 2022.

Net loss attributable to common stockholders for the first half of 2023 was \$8.6 million, or \$7.70 per share, a \$296,000 increase from the \$8.3 million, or \$14.90 per share, net loss for the first half of 2022. The net loss attributable to common stockholders during the first half of 2023 included a \$6.1 million valuation loss from the March 2023 financing.

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, August 10, to discuss second-quarter results and 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 and beverage products include GoodWheat™ pasta and pancake mixes and Zola® coconut water. 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, reduction in operating expenses, retail expansion, 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 ability to reduce operating expenses; the company’s and its partners’ and affiliates’ ability to successfully 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; 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 and prospects 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 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)

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,484	\$ 20,644
Short-term investments	5,023	—
Accounts receivable and other receivables, net of allowance for doubtful accounts of \$1 and \$3 as of June 30, 2023 and December 31, 2022, respectively	630	1,287
Inventories, net — current	3,164	2,571
Assets held for sale	87	87
Prepaid expenses and other current assets	951	809
Total current assets	<u>23,339</u>	<u>25,398</u>
Property and equipment, net	560	704
Right of use asset	1,384	1,848
Inventories, net — noncurrent	1,297	767
Intangible assets, net	40	40
Other noncurrent assets	178	165
Total assets	<u>\$ 26,798</u>	<u>\$ 28,922</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,783	\$ 2,881
Amounts due to related parties	33	48
Operating lease liability — current	993	1,010
Other current liabilities	282	270
Total current liabilities	<u>4,091</u>	<u>4,209</u>
Operating lease liability — noncurrent	532	1,007
Common stock warrant and option liabilities	2,445	806
Other noncurrent liabilities	2,000	2,000
Total liabilities	<u>9,068</u>	<u>8,022</u>
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, \$0.001 par value—150,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 1,108,432 and 616,079 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	65	65
Additional paid-in capital	284,202	278,827
Accumulated other comprehensive income	21	—
Accumulated deficit	(266,420)	(257,859)
Total stockholders' equity	<u>17,868</u>	<u>21,033</u>
Non-controlling interest	(138)	(133)
Total stockholders' equity	<u>17,730</u>	<u>20,900</u>
Total liabilities and stockholders' equity	<u>\$ 26,798</u>	<u>\$ 28,922</u>

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues:				
Product	\$ 1,379	\$ 2,946	\$ 2,889	\$ 6,116
Royalty	—	50	—	100
License	10	862	10	862
Total revenues	<u>1,389</u>	<u>3,858</u>	<u>2,899</u>	<u>7,078</u>
Operating expenses (income):				
Cost of revenues	981	3,447	1,806	6,906
Research and development	391	359	750	754
Gain on sale of Verdeca	—	(1,138)	—	(1,138)
Impairment of intangible assets	—	72	—	72
Change in fair value of contingent consideration	—	(39)	—	(70)
Impairment of property and equipment	—	346	—	346
Gain on sale of property and equipment	(7)	(58)	(26)	(386)
Selling, general and administrative	3,815	4,652	8,209	9,000
Total operating expenses	<u>5,180</u>	<u>7,641</u>	<u>10,739</u>	<u>15,484</u>
Loss from operations	(3,791)	(3,783)	(7,840)	(8,406)
Interest income	207	30	405	29
Other (loss) income, net	(13)	(44)	19	(3)
Valuation loss on March 2023 PIPE	—	—	(6,076)	—
Change in fair value of common stock warrant and option liabilities	4,416	—	5,357	—
Issuance and offering costs allocated to liability classified options	—	—	(430)	(27)
Net income (loss) before income taxes	819	(3,797)	(8,565)	(8,407)
Income tax provision	(1)	—	(1)	—
Net income (loss)	818	(3,797)	(8,566)	(8,407)
Net loss attributable to non-controlling interest	(5)	(20)	(5)	(142)
Net income (loss) attributable to common stockholders	<u>\$ 823</u>	<u>\$ (3,777)</u>	<u>\$ (8,561)</u>	<u>\$ (8,265)</u>
Net income (loss) per share attributable to common stockholders:				
Basic and diluted	<u>\$ 0.61</u>	<u>\$ (6.81)</u>	<u>\$ (7.70)</u>	<u>\$ (14.90)</u>
Weighted-average number of shares used in per share calculations:				
Basic and diluted	<u>1,358,395</u>	<u>554,723</u>	<u>1,111,915</u>	<u>554,700</u>
Other comprehensive income, net of tax				
Unrealized gains on available-for-sale securities	\$ 21	\$ —	\$ 21	\$ —
Other comprehensive income	<u>21</u>	<u>—</u>	<u>21</u>	<u>—</u>
Comprehensive income (loss) attributable to common stockholders	<u>\$ 844</u>	<u>\$ (3,777)</u>	<u>\$ (8,540)</u>	<u>\$ (8,265)</u>

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

	Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (8,566)	\$ (8,407)
Adjustments to reconcile net loss to cash used in operating activities:		
Change in fair value of common stock warrant and option liabilities	(5,357)	—
Change in fair value of contingent consideration	—	(70)
Issuance and offering costs allocated to liability classified options	430	—
Valuation loss on March 2023 PIPE	6,076	—
Depreciation	138	277
Amortization of intangible assets	—	26
Lease amortization	357	420
Impairment of intangible assets	—	72
Gain on disposal of property and equipment	(26)	(386)
Stock-based compensation	411	583
Bad debt expense	—	37
Gain on sale of Verdeca	—	(1,138)
Write-down of inventories	192	1,515
Impairment of property and equipment	—	346
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	87	(1,333)
Inventories	(1,316)	1,001
Prepaid expenses and other current assets	(142)	(541)
Other noncurrent assets	(13)	15
Accounts payable and accrued expenses	(149)	(247)
Amounts due to related parties	(16)	19
Other current liabilities	12	8
Other noncurrent liabilities	—	(1)
Operating lease liabilities	(382)	(446)
Net cash used in operating activities	<u>(8,264)</u>	<u>(8,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	37	841
Proceeds from sale of Verdeca — earn-out received	569	—
Purchases of property and equipment	(5)	(46)
Purchases of investments	(5,002)	—
Net cash used by investing activities	<u>(4,401)</u>	<u>795</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, pre-funded warrants and preferred investment options from March 2023 PIPE	5,997	—
Payments of offering costs relating to March 2023 PIPE	(497)	—
Proceeds from ESPP purchases	5	4
Net cash provided by financing activities	<u>5,505</u>	<u>4</u>
Net decrease in cash and cash equivalents	(7,160)	(7,451)
Cash and cash equivalents — beginning of period	20,644	28,685
Cash and cash equivalents — end of period	<u>\$ 13,484</u>	<u>\$ 21,234</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ —	\$ 1
NONCASH INVESTING AND FINANCING ACTIVITIES:		
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 March 2023 PIPE	\$ 212	\$ —
Warrant and option modifications included in Valuation loss on March 2023 PIPE	\$ 404	\$ —
Proceeds from sale of property and equipment in accounts receivable and other receivables	<u>\$ 2</u>	<u>\$ 51</u>

