

**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): November 10, 2022

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.)

**202 Cousteau Place
Suite 105
Davis, California**
(Address of Principal Executive Offices)

95618
(Zip Code)

Registrant's Telephone Number, Including Area Code: 530 756-7077

(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 November 10, 2022, Arcadia Biosciences, Inc. (the “Company”) issued a press release announcing financial results for the third quarter ended September 30, 2022. A copy of the press release is furnished as Exhibit 99.1, and the Company's financial information tables for the third quarter ended September 30, 2022 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 Third-Quarter 2022 Financial Results and Business Highlights
99.2	Arcadia Biosciences Third-Quarter 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: November 10, 2022

By: /s/ PAMELA HALEY
Pamela Haley, Chief Financial Officer



Arcadia Biosciences (RKDA) Announces Strong Third Quarter 2022 Financial Results and Business Highlights

- GoodWheat™ Pasta distribution doubles from Q2 --
- Gross margins improve to 28% --
- Streamlined operations focus on higher-margin brands --

DAVIS, Calif. (November 10, 2022) – 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 third quarter of 2022.

“We’ve made significant progress this year transitioning Arcadia to a leaner, more focused organization,” said Stan Jacot, president and CEO of Arcadia Biosciences. “And we continue to lay the groundwork for long-term growth and profitability as we execute on our three-year strategy, Project Greenfield.

“Our GoodWheat™ launch is outperforming expectations, having already reached our year-end goal of 1,000 stores, and acceptance continues to grow. And we’ve streamlined the business to focus on our higher-margin brands, which included divesting the Saavy Naturals brand and our manufacturing facility. As a result, we’ve more than doubled our margins quarter-over-quarter in Q3, validating our ability to grow the business while keeping costs under control.”

Arcadia Biosciences, Inc. Financial Snapshot (Unaudited)

(\$ in thousands)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	Favorable / (Unfavorable)		2022	2021	Favorable / (Unfavorable)	
			\$	%			\$	%
Total revenues	1,878	2,376	(498)	(21)%	8,956	4,609	4,347	94%
Total operating expenses	6,458	11,089	4,631	42%	21,941	26,331	4,390	17%
Loss from operations	(4,580)	(8,713)	4,133	47%	(12,985)	(21,722)	8,737	40%
Net loss attributable to common stockholders	(2,867)	(2,175)	(692)	(32)%	(11,132)	(5,378)	(5,754)	(107)%

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

In the third quarter of 2022, revenues were \$1.9 million, compared to \$2.4 million in the third quarter of 2021 – a \$498,000 decrease driven primarily by lower body care and GLA revenue, partially offset by GoodWheat pasta sales. Revenues for the first nine months of 2022 were \$9.0 million, compared to \$4.6 million in the first nine months of 2021. The increase was driven by higher coconut water and body care products, along with GoodWheat pasta and grain sales.

Operating Expenses

In the third quarter of 2022, operating expenses were \$6.5 million compared to \$11.1 million in the third quarter of 2021, and the first nine months of 2022 operating expenses were \$21.9 million compared to \$26.3 million in the first nine months of 2021.

Cost of revenues in the third quarter of 2022 were \$1.3 million, or \$1.2 million lower than \$2.5 million in the third quarter of 2021, primarily driven by lower revenues and lower inventory write-downs. Cost of revenues for the first nine months of 2022 were \$8.3 million, or \$3.3 million higher than \$5.0 million in the first nine months of 2021, the result of higher revenues.

Research and development (R&D) spending decreased by \$783,000 and \$2.3 million for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021, as a result of the company's focus on commercialization, which has led to lower employee-related expenses and research-related activity costs.

Selling, general and administrative (SG&A) costs for the three and nine months ended September 30, 2022 were \$1.5 million and \$2.9 million lower than in the three and nine months ended September 30, 2021, respectively, primarily driven by lower employee expenses, lease expense and consulting fees. Acquisition fees recognized in 2021 were not present in 2022.

Net Income Attributable to Common Stockholders

Net loss attributable to common stockholders for the third quarter of 2022 was \$2.9 million, or \$0.12 per share, a \$692,000 increase from the \$2.2 million, or \$0.10 per share, net loss for the third quarter of 2021. The loss from operations in the third quarter of 2022 was \$4.1 million less than in the third quarter of 2021, primarily due to lower cost of revenues, SG&A expenses and impairment of property and equipment. This favorability was mostly offset by \$2.9 million lower non-cash income from the change in the fair value of common stock warrant and option liabilities and the \$1.1 million gain on extinguishment of a PPP loan in 2021 that was not applicable to 2022.

Net loss attributable to common stockholders for the first nine months of 2022 was \$11.1 million, or \$0.48 per share, a \$5.7 million increase from the \$5.4 million, or \$0.26 per share, net loss for the first nine months of 2021. The loss from operations in third quarter year to date 2022 was \$8.7 million less than third quarter year to date 2021, primarily due to lower SG&A expenses, R&D expenses and impairment of property and equipment, as well as the gain on sale of Verdeca in 2022. The remeasurement and sale of Bioceres stock in the first and second quarters of 2021 impacted net loss attributable to common stockholders significantly with a gain of \$10.2 million in the first nine months of 2021. No such gain was recorded in 2022. In addition, the non-cash income of a change in fair value of common stock warrant and option liabilities

was \$2.7 million lower in the first nine months of 2022 compared to the same period in 2021, and 2021 included a gain on the extinguishment of a PPP loan in the amount of \$1.1 million that was not applicable to 2021.

Conference Call and Webcast

The company has scheduled a conference call for 4:30 p.m. Eastern (1:30 p.m. Pacific) today, November 10, to discuss third quarter financial results and key strategic achievements.

Interested participants can join the conference call using the following numbers:

U.S. Toll-Free Dial-In: +1-866-374-5140
International Dial-In: +1-404-400-0571
Passcode: 14010760

A live webcast of the conference call will be available on the “Investors” section of Arcadia’s website at www.arcadiabio.com. 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, profitability, operating costs, financial success 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; consumer demand for its 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; its ability to continue to make acquisitions and execute on divestitures in accordance with its business strategy or effectively manage the growth from acquisitions; the potential impact of COVID-19 on its business; 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, 2021, 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:

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ir@arcadiabio.com

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Arcadia Biosciences, Inc.
Consolidated Balance Sheets
(Unaudited)

(In thousands, except share data)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,719	\$ 28,685
Accounts receivable and other receivables, net of allowance for doubtful accounts of \$13 and \$76 as of September 30, 2022 and December 31, 2021, respectively	2,726	1,370
Inventories, net — current	3,342	4,433
Assets held for sale	254	—
Prepaid expenses and other current assets	990	900
Total current assets	30,031	35,388
Property and equipment, net	848	2,291
Right of use asset	2,073	3,081
Inventories, net — noncurrent	984	2,494
Intangible assets, net	373	484
Other noncurrent assets	165	180
Total assets	\$ 34,474	\$ 43,918
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,748	\$ 3,638
Amounts due to related parties	47	64
Operating lease liability — current	986	1,074
Other current liabilities	270	264
Total current liabilities	4,051	5,040
Operating lease liability — noncurrent	1,269	2,220
Common stock warrant and option liabilities	2,135	3,392
Other noncurrent liabilities	2,000	2,070
Total liabilities	9,455	12,722
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, \$0.001 par value—150,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 24,642,960 and 22,184,235 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	65	63
Additional paid-in capital	278,618	257,515
Accumulated deficit	(253,615)	(226,485)
Total stockholders' equity	25,068	31,093
Non-controlling interest	(49)	103
Total stockholders' equity	25,019	31,196
Total liabilities and stockholders' equity	\$ 34,474	\$ 43,918

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Product	\$ 1,851	\$ 2,324	\$ 7,967	\$ 4,506
Royalty	17	35	117	86
License	10	17	872	17
Total revenues	<u>1,878</u>	<u>2,376</u>	<u>8,956</u>	<u>4,609</u>
Operating expenses (income):				
Cost of revenues	1,344	2,511	8,250	4,954
Research and development	255	1,038	1,009	3,328
Gain on sale of Verdeca	—	—	(1,138)	—
Impairment of intangible assets	—	120	72	120
Change in fair value of contingent consideration	—	—	(70)	(140)
Impairment of property and equipment	24	1,108	370	1,319
(Gain) loss on sale of property and equipment	—	—	(386)	17
Selling, general and administrative	4,835	6,312	13,834	16,733
Total operating expenses	<u>6,458</u>	<u>11,089</u>	<u>21,941</u>	<u>26,331</u>
Loss from operations	(4,580)	(8,713)	(12,985)	(21,722)
Interest income (expense)	95	(15)	123	(23)
Other income (expense), net	43	(7)	13	10,214
Change in fair value of common stock warrant and option liabilities	1,880	4,777	1,880	4,601
Gain on extinguishment of PPP loan	—	1,123	—	1,123
Issuance and offering costs	(314)	—	(314)	(769)
Net loss before income taxes	(2,876)	(2,835)	(11,283)	(6,576)
Income tax provision	(1)	(1)	(1)	(1)
Net loss	(2,877)	(2,836)	(11,284)	(6,577)
Net loss attributable to non-controlling interest	(10)	(661)	(152)	(1,199)
Net loss attributable to common stockholders	<u>\$ (2,867)</u>	<u>\$ (2,175)</u>	<u>\$ (11,132)</u>	<u>\$ (5,378)</u>
Net loss per share attributable to common stockholders:				
Basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.10)</u>	<u>\$ (0.48)</u>	<u>\$ (0.26)</u>
Weighted-average number of shares used in per share calculations:				
Basic and diluted	<u>24,552,543</u>	<u>22,177,423</u>	<u>22,984,816</u>	<u>20,976,105</u>
Other comprehensive loss, net of tax				
Foreign currency translation adjustment	—	(12)	—	(24)
Other comprehensive loss	—	(12)	—	(24)
Comprehensive loss attributable to common stockholders	<u>\$ (2,867)</u>	<u>\$ (2,187)</u>	<u>\$ (11,132)</u>	<u>\$ (5,402)</u>

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

	Nine Months Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (11,284)	\$ (6,577)
Adjustments to reconcile net loss to cash used in operating activities:		
Change in fair value of common stock warrant and option liabilities	(1,880)	(4,601)
Change in fair value of contingent consideration	(70)	(140)
Issuance and offering costs	314	769
Depreciation	354	737
Amortization of intangible assets	39	99
Lease amortization	686	914
Impairment of intangible assets	72	120
(Gain) loss on disposal of property and equipment	(386)	17
Stock-based compensation	897	1,035
Bad debt expense	32	—
Realized gain on corporate securities	—	(10,222)
Impairment of property and equipment	370	1,319
Write-down of inventories	1,530	1,802
Gain on extinguishment of PPP loan	—	(1,123)
Gain on sale of Verdeca	(1,138)	—
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(534)	(47)
Inventories	1,071	(2,651)
Prepaid expenses and other current assets	(90)	(452)
Other noncurrent assets	15	(159)
Accounts payable and accrued expenses	(890)	972
Amounts due to related parties	(17)	(29)
Unearned revenue	—	(8)
Other current liabilities	6	1
Operating lease liabilities	(718)	(984)
Net cash used in operating activities	(11,621)	(19,208)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	897	2
Proceeds from sale of Verdeca — earn-out received	285	—
Purchases of property and equipment	(46)	(919)
Acquisitions, net of cash acquired	—	(4,250)
Proceeds from sales and maturities of investments	—	21,845
Net cash provided by (used in) investing activities	1,136	16,678
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)
Proceeds from the exercise of warrants	—	22
Principal payments on debt	—	(2,032)
Proceeds from ESPP purchases	7	39
Capital contributions received from non-controlling interest	—	750
Net cash provided by financing activities	4,519	22,014
Effects of foreign currency translation on cash and cash equivalents	—	(1)
Net (decrease) increase in cash and cash equivalents	(5,966)	19,483
Cash and cash equivalents — beginning of period	28,685	16,043
Cash and cash equivalents — end of period	\$ 22,719	\$ 35,526
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for income taxes	\$ —	\$ 1
Cash paid for interest	\$ 1	\$ 25
NONCASH INVESTING AND FINANCING ACTIVITIES:		
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	\$ 1,662
Proceeds from sale of Verdeca in accounts receivable and other receivables	\$ 854	\$ —

