

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

FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-40991

BLUE STAR FOODS CORP.

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>82-4270040</u> (IRS Employer Identification No.)
<u>3000 NW 109th Avenue</u> <u>Miami, Florida</u> (Address of principal executive offices)	<u>33172</u> (Zip Code)

(305) 836-6858

(Registrant's telephone number, including area code)

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 Stock, \$0.0001 par value	BSFC	Over The Counter Markets Group

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of the "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was \$2,199,788.

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FORWARD-LOOKING STATEMENTS

Except for historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements include, among others, those statements including the words "believes", "anticipates", "expects", "intends", "estimates", "plans" and words of similar import. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions regarding our business, potential target businesses, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include changes in local, regional, national or global political, economic, business, competitive, market (supply and demand) and regulatory conditions and the following:

- Our ability to raise capital when needed and on acceptable terms and conditions;
- Our ability to make acquisitions and integrate acquired businesses into our company;
- Our ability to attract and retain management with experience in the business of importing, packaging and selling of seafood;
- Our ability to negotiate, finalize and maintain economically feasible agreements with suppliers and customers;
- The availability of crab meat and other premium seafood products we sell;
- The intensity of competition; and

- Changes in the political and regulatory environment and in business and fiscal conditions in the United States and overseas.

These risks and others described under the section “Risk Factors” below are not exhaustive.

Given these uncertainties, readers of this Annual Report on Form 10-K (“Annual Report”) are cautioned not to place undue reliance on such forward-looking statements. We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

All references in this Annual Report to the “Company”, “we”, “us”, or “our”, are to Blue Star Foods Corp., a Delaware corporation, and its consolidated subsidiaries, John Keeler & Co., Inc., d/b/a Blue Star Foods, a Florida corporation (“Keeler & Co.”) and its wholly-owned subsidiary, Coastal Pride Seafood, LLC, a Florida limited liability company (“Coastal Pride”) Taste of BC Aquafarms, Inc., a corporation formed under the laws of the Province of British Columbia, Canada (“TOBC”), and Afritex Ventures Inc., (“AFVFL”), a Florida corporation.

Unless otherwise noted, all share and the price per share information in this Annual Report for all periods presented reflect the reverse stock split of our outstanding common stock at a ratio of 1-for-50 (“Reverse Stock Split”), which became effective as of May 20, 2024.

PART I

ITEM 1. BUSINESS

Overview

We are an international seafood company based in Miami, Florida that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. Our current source of revenue is from purchasing blue and red swimming crab meat primarily from South East Asia and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh. We are procure crabs from domestic fishermen, (which is sold fresh and frozen) which in turn are distributed along with crabmeat and steelhead salmon and rainbow trout fingerlings produced under the brand name Little Cedar Farms for distribution in Canada. The crab meat which we import from our suppliers are primarily via co-packing relationships, including two affiliated suppliers. We sell our products to food service wholesalers, retail establishments and seafood distributors.

We seek to create a vertically integrated seafood company that offers customers high quality products while maintaining a focus on our core values of delivering food safety, traceability and certified resource sustainability. Our subsidiary companies procure, grow, harvest, import and distribute high value seafood lines including but not limited to pasteurized, frozen and fresh crabmeat as well as steelhead salmon.

Our primary companies include:

Coastal Pride Seafood, LLC (“Coastal Pride”) which imports pasteurized and fresh crab meat sourced primarily from Mexico and Latin America and sells premium branded label crab meat throughout North America;

Taste of BC Aquafarms, Inc. (“TOBC”), a land-based recirculating aquaculture systems (“RAS”) salmon farming operation, which sells its steelhead salmon to distributors in Canada;

Afritex Ventures Inc., (“AFVFL”), a commercial reseller of food products; and

John Keeler & Co, Inc., (“Keeler & Co.”) doing business as Blue Star Foods, which imports, packages and sells refrigerated pasteurized crab meat sourced primarily from Southeast Asia and other premium seafood products.

Throughout 2024, we have shifted away from Keeler & Co. and focused more heavily on Coastal Pride, Blue Star Foods Corp., and TOBC. We anticipate moving away completely from Keeler & Co. in the second quarter of 2025.

Strategy

Our long-term strategy is to create a vertically integrated seafood company that offers customers high quality products while maintaining a focus on our core values of delivering food safety, traceability and certified resource sustainability.

We plan to grow the Company organically by continuing to increase our customer base and by introducing new high-value product lines and categories, as well as strategically acquiring companies that focus on additional species and proprietary technologies that we believe we can integrate into a larger, diversified company.

Operating Companies

We operate through the following subsidiary companies:

Coastal Pride is a seafood company, based in Beaufort, South Carolina, that imports pasteurized and fresh crab meat (*Portunus Pelagicus*, *Portunus Haanii* and *Callinectes*) sourced primarily from Mexico and Latin America and sells premium branded label crab meat throughout North America.

It has three premium branded label products, First Choice, Good Stuff and Coastal Pride Fresh.

TOBC is a land-based recirculating aquaculture system (“RAS”) farming operation located in Nanaimo, British Columbia, Canada with an annual production capacity of approximately 100 tons. It produces steelhead salmon and rainbow trout fingerlings under the brand name Little Cedar Farms for distribution in Canada.

TOBC's RAS facility has been operated as a model farm for the development of salmon RAS technology. We currently intend to refine this model farm into a 150-ton standardized module that will be replicated in the development of future farms. The next facility we hope to build, subject to sufficient resources, will have 10 such modules, for a total production capacity of 1,500 tons.

The current RAS facility is in an insulated, bio-secure structure in which culture conditions are controlled. The primary RAS system is composed of thirteen culture tanks, a drum filter, a fluidized sand bed biofilter and a low head oxygenator and employs an efficient gravity fed low head arrangement which reduces energy use as compared to other RAS designs. Additionally, there are two independent partial reuse finishing tank systems.

Weekly harvests of approximately two tons of salmon are stunned and bled at the farm and then processed as fresh iced head on gutted ("HOG") fish at a Canadian Food Inspection Agency approved processing facility. Currently, TOBC sells its salmon mainly to two wholesale seafood distributors in Canada.

Eggs and fingerlings are purchased from two primary suppliers and are hatched approximately every eight weeks. TOBC's hatchery is composed of a recirculating system that utilizes an upwelling "heath stack" incubator and five tanks with moving bed biofiltration. The fish are then transferred to the main RAS system approximately 12 weeks post hatch. TOBC's feed is largely terrestrial based from grains and other non-marine ingredients.

We believe that the faster life cycle from birth to harvesting of our salmon, as compared to conventional salmon, allows it to be produced more economically in contained, land-based RAS farms. Although RAS farms require greater capital investment than the sea cage approach, we believe that the higher costs are offset by more efficient growth and a shorter transportation distance to market.

Keeler & Co., doing business as Blue Star Foods, is an international seafood company that imports, packages and sells refrigerated pasteurized crab meat sourced primarily from Southeast Asia and other premium seafood products.

Keeler & Co. purchases our crab product (Portunus Pelagicus and Portunus Haanii) from processors which source the crab meat from local fishermen in Indonesia, the Philippines, Thailand, Vietnam, Sri Lanka and India, to whom we pay a premium in order to outfit their boats with a proprietary GPS-based system. This system allows us to trace where the crab product originates and ensure that only mature crabs are being harvested by the use of collapsible traps and not gill nets.

The crab meat is purchased directly from processors with whom we have long-standing relationships, that have agreed to source their product in a sustainable manner. All crab meat is sourced under the Company's U.S Food & Drug Administration ("FDA") approved Hazard Analysis Critical Control Point ("HACCP") Plan. Additionally, all suppliers are certified by the British Retail Consortium (the "BRC") and are audited annually to ensure safety and quality of our product.

The imported crab meat is processed in six out of the ten plants available throughout Southeast Asia. Our suppliers are primarily via co-packing relationships, including two affiliated suppliers. We sell primarily to food service distributors. We also sell our products to wholesalers, retail establishments and seafood distributors.

We have created a technology platform that tracks the product through its entire chain of custody and collects and transmits various data to the Company in real-time, from the loading site to the packing plant, through the sorting and pasteurization process and the exporting process to the end customer. Our technology allows our customers access to their "Scan on Demand" QR code-enabled traceability application.

Our premium proprietary brands, Blue Star, Pacifika and Oceanica are differentiated in terms of quality and price point. We believe that we utilize best-in-class technology, in both resource sustainability management and ecological packaging.

We intend to shift the business of Keeler & Co. over to Costal Pride. We anticipate no longer operating through Keeler & Co. by the second quarter of 2025.

On February 1, 2024, we entered into a ninety-day Master Services Agreement (the "Services Agreement") with Afritex Ventures, Inc. a Texas corporation ("Afritex"), pursuant to which we will be responsible for all of Afritex's operations and finance functions. We will provide Afritex with working capital in order to sustain operations and will purchase certain inventory listed in the Services Agreement. The Company automatically extended the Services Agreement to August 31, 2024 after which it expired.

In connection with the Services Agreement, on February 1, 2024, AFVFL, a wholly-owned subsidiary of the Company, was incorporated in the State of Florida for the purpose of purchasing raw materials from Afritex, up to the date of the Services Agreement expiration, for the preparation of packaged seafood and other inventory to be sold to various customers in the United States.

Branded Products

We distribute our imported blue and red swimming crabmeat in the United States under the brand names Blue Star, Pacifika, Oceanica, Crab & Go Premium Seafood, First Choice, Good Stuff and Coastal Pride Fresh and steelhead salmon and rainbow trout fingerlings produced by TOBC under the brand name Little Cedar Falls.

Blue Star is packed with only high quality Portunus Pelagicus species crab and is produced under exacting specifications and quality control requirements.

Pacifika is a quality brand for the price conscious end user. The Portunus Haanii crab meat is packed in China and is ideal for upscale plate presentations.

Oceanica is made from the Portunus Haanii crab, which is caught and processed in Vietnam. It is an affordable choice to help reduce food cost without sacrificing the look/taste of dishes.

Crab + Go Premium Seafood is geared towards millennials as part of the trend toward pre-packaged, grab-and-go items. The product is packaged in flexible foil pouches.

Lubkin Brand is packed with quality Portunus Pelagicus species crab in the Philippines and Indonesia.

First Choice is a quality brand packed with Portunus Haanii crab meat from Vietnam and China.

Good Stuff is a premium brand packed with high quality Callinectes species crab from Mexico.

Coastal Pride Fresh is packed with Callinectes Sapidus from Venezuela and the United States.

Steelhead salmon is produced by TOBC under the Little Cedar Falls brand. The fish are sashimi grade and only sold as a fresh item, usually reaching end users within days of harvest.

Competitive Strengths

Sustainable and Traceable Product Sourcing. We believe that our greatest point of differentiation from other seafood companies is our efforts to ensure that our seafood products are ethically sourced in a method that is consistent with our core values and those of our customers.

Proprietary Brands. We have created several brands of crab meat that are well regarded amongst our customers and are differentiated by product quality

and price point.

Eco-Friendly Packaging. Another major point of differentiation from our competitors is our use of sustainable and ethical packaging. Our green pouches for Eco-Fresh crab meat are patented in the United States, Europe, Thailand, the Philippines and Indonesia under patent Nos.1526091 B1 and US Patents 8,337,922 and 8,445,046. We believe since their introduction in 2003, these pouches have saved in excess of a million metric tons of carbon dioxide emissions versus metal can packaging material.

Growth Strategy

We intend to grow our business in several ways, including:

Growing our existing businesses. The three existing businesses each have different pathways to organic growth, including increasing reliable access to sustainably sourced marine products and supplying to a larger and more diversified customer base. Our primary objective is to optimize the management of each company, with a specific focus on enhancing the performance and integration of the marketing, sourcing, and finance departments.

Strategic Acquisitions. We will continue to seek opportunities to acquire companies that allow us to expand into new territories, diversify our species product categories, and where operational synergies with our existing companies may exist. We believe there is an opportunity to integrate a sustainability model into select traditionally operated companies, like ours, enabling margin growth through the introduction of premium, eco-conscious products.

Scaling the RAS Business. We have an internal goal to reach production of 21,000 metric tons of steelhead salmon by 2028. If we can successfully access the necessary funding through the equity capital markets and through certain debt facilities, we hope to build a series of 1,500 metric ton and 3,000 metric ton facilities throughout strategic locations in British Columbia and other Canada, similar to where TOBC is currently based.

Industry Overview

The international seafood industry is going through a period of rapid change as it strives to meet the needs of a growing population around the world, where food consumption habits are evolving. We believe there are powerful trends emerging in the developing world (including a growing demand for animal-based protein) as well as in the developed world (where there is an increased awareness and focus on sustainable sourcing and the protection of marine ecosystems).

Changes in Population Growth and Global Seafood Consumption :

The United Nations latest projections suggest that the global population could grow to around 8.5 billion in 2030, 9.7 billion in 2050 and 10.4 billion in 2100⁽¹⁾.

As the population has grown, so has per capita fish consumption. Per capita food fish consumption grew from 9.0 kg (live weight equivalent) in the 1960s to 20.2 kg in 2020, at an average annual rate of 3% compared with a population growth rate of 1.6%⁽²⁾.

Rising incomes and urbanization, improvements in post-harvest practices and changes in dietary trends are projected to drive a 15% increase in aquatic food consumption, to supply on average 21.4 kg per capita in 2030⁽³⁾.

Aquaculture Has Developed as a Major Source to Meet Global Seafood Demand :

In 2020, fisheries and aquaculture production reached an all-time record of 214 million tons, worth about \$424 billion. Production of aquatic animals in 2020 was more than 60% higher than the average in the 1990s, considerably outpacing world population growth, largely due to increasing aquaculture production⁽⁴⁾.

Total production of aquatic animals is expected to reach 202 million tons in 2030, mainly due to sustained growth of aquaculture, projected to reach 100 million tons for the first time in 2027 and 106 million tons in 2030⁽⁵⁾.

We believe that the growth in consumption drives the increased growth of aquaculture and the need for recirculatory aquatic systems.

(1) United Nations – Department of Economic and Social Affairs – World Population Prospects (2022)

(2)(3)(4)(5) Food and Agriculture Organization of the United Nations “The State of the World Fisheries and Aquaculture – 2022.

Suppliers

We purchase crab meat directly from six processors with which we have long-standing relationships, that have agreed to source their product in a sustainable manner. All crab meat is sourced under the Company's FDA approved HACCP Plan. Additionally, all suppliers are certified grade A by the BRC and are audited annually to ensure safety and quality.

The Company had four major suppliers located in India, Brazil, Peru, and Indonesia which accounted for approximately 61.0% of the Company's total purchases during the year ended December 31, 2024. The Company's largest supplier is located in India and accounted for 19.8% of the Company's total purchases in the year ended December 31, 2024.

Sales, Marketing and Distribution

The Company's products are sold in the United States and Canada. Our principal source of revenue is importing blue and red swimming crab meat primarily from India, Brazil, Peru, and Indonesia and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, Lubkin's Coastal Pride, First Choice, Good Stuff, Coastal Pride Fresh and TOBC steelhead salmon and rainbow trout fingerlings produced under the brand name Little Cedar Falls.

The Company stores its crab meat inventory at a third-party facility in Miami, Florida and distribution takes place from this facility.

The Company has a sales team based throughout the United States who sell directly to customers, most of whom are in the food service and retail industry and also manage a network of regional and national brokers, that cover both the retail and wholesale segments. The sales team and brokers help to pull the products through the system by creating demand at the end user level and pulling the demand through our distributor customers. The Company sells to retail customers either directly or via distributors that specialize in the retail segment.

The Company does not own its own fleet of trucks and utilizes less than truckload freight shipping (“LTL”) national freight carriers to deliver its products to its customers. LTL is used for the transportation of small freight or when freight does not require the use of an entire trailer. When shipping LTL, the Company pays for a portion of a standard truck trailer, and other shippers and their shipments fill the unoccupied space.

Customers

Our customer base is comprised of some of the largest companies in the food service and retail industry throughout the United States. We sell our crab meat to our customers through purchase orders. For the year ended December 31, 2024, sales to food distributors and retail and wholesale clubs accounted for 48% of our revenue. The balance of our revenue is derived from smaller seafood distributors and value-added processors.

The Company had five customers which accounted for approximately 48% of revenue during the year ended December 31, 2024. Two customers accounted for 31% of revenue during the year ended December 31, 2024. The loss of any major customer could have a material adverse impact on the Company's results of operations, cash flows and financial position.

Competition

In general, the international seafood industry is intensely competitive and highly fragmented. We compete with local and overseas manufacturers and importers engaged in similar products.

The Company's primary competitors in its traditional sustainable seafood businesses are Tri Union Frozen Products, Inc. (Chicken of the Sea Frozen Foods), Phillips Foods, Inc., Harbor Seafood, Inc., Newport International and Twin Tails Seafood Corp.

The Company's primary competitors in its RAS business are Atlantic Sapphire, Aquaco, Nordic Aquafarms, Whole Oceans, Kuterra and Pure Salmon.

Intellectual Property

Our intellectual property is an essential element of our business. We use a combination of patent, trademark, copyright, trade secret and other intellectual property laws and confidentiality agreements to protect our intellectual property. Our policy is to seek patent protection in the United States and in certain foreign jurisdictions for our products, processes and other technology where available and when appropriate. We also in-license technology, inventions and improvements we consider important to the development of our business.

In addition to our patents, we also rely upon trade secrets, know-how, trademarks, copyright protection and continuing technological and licensing opportunities to develop and maintain our competitive position. We monitor the activities of our competitors and other third parties with respect to their use of intellectual property. We require our employees to execute confidentiality and non-competition agreements upon commencing employment with us. Despite these safeguards, any of our know-how or trade secrets not protected by a patent could be disclosed to, or independently developed by, a competitor.

It is our standard practice to require our employees to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property, and assigning to us any ownership in those works. Despite our precautions, it may be possible for third parties to obtain and use without consent intellectual property that we own. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights, may adversely affect our business.



Borrowings under our loan and security agreement with Lighthouse are secured by substantially all of our personal property, including our intellectual property.

The following is a list of our patents:

Title	Country	Patent No. OR Publication No	Issue Date	Application No.	Application Date
POUCH-PACKAGED CRABMEAT PRODUCT AND METHOD	US	2015/0257426 A1		14/205,742	3/12/2014
METHOD FOR PACKAGING CRABMEAT	US	8445046 B2	5/21/2013	13/681,027	11/19/2012
METHOD FOR PACKAGING CRABMEAT	US	8337922 B2	12/25/2012	10/691,480	10/21/2003
METHOD FOR PACKAGING CRABMEAT	EPC	1526091 B1			10/21/2004
	TH	28,256			
	PH	1-2005-000216			
	ID	20261			

Our patents expire 20 years from the date of issuance which range from year 2007 to 2015.

The following is a list of our registered trademarks and trademarks for which we have filed applications.

Mark	Registration No	Registration Date	Application No.	Application Date
AMERICA'S FAVORITE CRABMEAT	2961590	6/7/05	78344059	12/22/03
ECO-FRESH	4525998	5/6/14	77922376	1/28/10
	3858522	10/5/10	77885209	12/3/09
	3818057	7/13/10	77885203	12/3/09
OCEANICA	3711200	11/17/09	77595180	10/17/08



Lubkin's Coastal Pride	2879531	8/31/04	78289067	8/19/03
Lubkin's Good Stuff	N/A	N/A	87919629	5/14/18
Lubkin's First Choice	H/A	N/A	88645685	10/8/19

Canadian Intellectual Property Office registered trademarks:

Little Cedar Falls – Registration #1766337- Expiration: June 20, 2032
Taste of BC – Registration #1561871 - Expiration: January 31, 2034

Government Regulation

Our third-party distribution facilities and our international suppliers are certified in accordance with the HACCP, standards for exporting aquatic products to the United States. The HACCP standards are developed by the FDA, pursuant to the FDA's HACCP regulation, Title 21, Code of Federal Regulations, part 123, and are used by the FDA to help ensure food safety and control sanitary standards.

Food Safety and Labeling

We are subject to extensive regulation, including, among other things, the Food, Drug and Cosmetic Act, as amended by the Food Safety Modernization Act ("FSMA"), the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, and the rules and regulations promulgated thereunder by the FDA. The FSMA was enacted in order to aid the effective prevention of food safety issues in the food supply. This comprehensive and evolving regulatory program impacts how food is grown, packed, processed, shipped and imported into the United States and it governs compliance with Good Manufacturing Practices regulations. The FDA has finalized seven major rules to implement FSMA, recognizing that ensuring the safety of the food supply is a shared responsibility among many different points in the global supply chain. The FSMA rules are designed to make clear specific actions that must be taken at each of these points to prevent contamination. Some aspects of these laws use a strict liability standard for imposing sanctions on corporate behavior. If we fail to comply with applicable laws and regulations, we may be subject to civil remedies, including fines, injunctions, recalls, or seizures, and criminal sanctions, any of which could impact our results of operations.

In addition, the Nutrition Labeling and Education Act of 1990 prescribes the format and content of certain information required to appear on the labels of food products.

Our operations and products are also subject to state and local regulation, including the registration and licensing of plants, enforcement by state health agencies of various state standards, and the registration and inspection of facilities. Compliance with federal, state and local regulation is costly and time-consuming. Enforcement actions for violations of federal, state, and local regulations may include seizure and condemnation of products, cease and desist orders, injunctions or monetary penalties. We believe that our practices are sufficient to maintain compliance with applicable government regulations.

Trade

For the purchase of products harvested or manufactured outside of the United States, and for the shipment of products to customers located outside of the United States, we are subject to customs laws regarding the import and export of shipments. Our activities, including working with customs brokers and freight forwarders, are subject to regulation by U.S. Customs and Border Protection, part of the Department of Homeland Security.

TOBC

TOBC's aquafarms facility in Nanaimo, British Columbia, Canada with an annual production capacity of approximately 100 tons are licensed under the Canadian Department of Fisheries and Oceans. Harvests of steelhead salmon and rainbow trout fingerlings are processed as iced HOG fish locally at a Canadian Food Inspection Agency approved processing facility.

Federal Trade Commission

We are subject to certain regulations by the U.S. Federal Trade Commission. Advertising of our products is subject to such regulation pursuant to the Federal Trade Commission Act and the regulations promulgated thereunder.

Employee Safety Regulations

We are subject to certain health and safety regulations, including regulations issued pursuant to the Occupational Safety and Health Act. These regulations require us to comply with certain manufacturing, health, and safety standards to protect our employees from accidents.

Anticorruption

Because we are organized under the laws of a state and our principal place of business is in the United States, we are considered a "domestic concern" under the Foreign Corrupt Practices Act ("FCPA") and are covered by the anti-bribery provisions of the FCPA. The provisions prohibit any domestic concern and any officer, director, employee, or agent, acting on behalf of the domestic concern from paying or authorizing payment of anything of value to (i) influence any act or decision by a foreign official; (ii) induce a foreign official to do or omit to do any act in violation of his/her lawful duty; (iii) secure any improper advantage; or (iv) induce a foreign official to use his/her influence to assist the payor in obtaining or retaining business, or directing business to another person.

Environmental Regulation

We are subject to a number of federal, state, and local laws and other requirements relating to the protection of the environment and the safety and health of personnel and the public. These requirements relate to a broad range of our activities, including the discharge of pollutants into the air and water; the identification, generation, storage, handling, transportation, disposal, recordkeeping, labeling, and reporting of, and emergency response in connection with, hazardous materials (including asbestos) associated with our operations; noise emissions from our facilities; and safety and health standards, practices, and procedures that apply to the workplace and the operation of our facilities.

Employees

As of June 20, 2025, we had 11 full time employees and no part-time employees. We believe that our future success will depend, in part, on our continued ability to attract, hire and retain qualified personnel.

ITEM 1A. RISK FACTORS

This Annual Report contains certain statements relating to future events or the future financial performance of our Company. You are cautioned that such statements are only predictions and involve risks and uncertainties, and that actual events or results may differ materially. In evaluating such statements, you should specifically consider the various factors identified in this annual report, including the matters set forth below, which could cause actual results to differ materially from those indicated by such forward-looking statements.

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors before deciding to invest in our Company. If any of the following risks actually occur, our business, financial condition, results of operations and prospects for growth would likely suffer.

Risks Relating to Our Company and Business

Future acquisitions may have an adverse effect on our ability to manage our business.

Selective acquisitions currently form part of our strategy to further expand our business. If we are presented with appropriate opportunities, we may acquire additional businesses, services or products that are complementary to our core business. Future acquisitions and the subsequent integration of new companies into ours would require significant attention from management. Future acquisitions would also expose us to potential risks, including risks associated with the assimilation of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, the inability to generate sufficient revenue to offset the costs and expenses of acquisitions and potential loss of, or harm to, relationships with employees as a result of integration of new businesses. The diversion of our management's attention and any difficulties encountered in any integration process could have a material adverse effect on our ability to manage our business.

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The value of crab meat is subject to fluctuation which may result in volatility of our results of operations and the value of an investment in the Company.

Our business is dependent upon the sale of a commodity which value is subject to fluctuation. Our net sales and operating results vary significantly due to the volatility of the value of the crab meat that we sell which may result in the volatility of the market price of our Common Stock.

A material decline in the population and biomass of crab meat that we sell in the fisheries from which we obtain our crab meat would materially and adversely affect our business.

The population and biomass of crab meat are subject to natural fluctuations which are beyond our control and which may be exacerbated by disease, reproductive problems or other biological issues and may be affected by changes in weather and the global environment. The overall health of a crab or other fish is difficult to measure, and fisheries management is still a relatively inexact science. Since we are unable to predict the timing and extent of fluctuations in the population and biomass of our products, we are unable to engage in any measures that might alleviate the adverse effects of these fluctuations. Any such fluctuation which results in a material decline in the population and biomass in the fisheries from which we obtain our crab meat would materially and adversely affect our business. Our operations are also subject to the risk of variations in supply.

We are subject to the risk of product contamination and product liability claims.

The sales of our products may involve the risk of injury to consumers. Such injuries may result from tampering by unauthorized personnel, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, or residues introduced during the packing, storage, handling or transportation phases. While we are subject to governmental inspection and regulations and believe our facilities comply in all material respects with all applicable laws and regulations, including internal product safety policies, we cannot be sure that consumption of our products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our brand image.

A significant portion of our revenues are derived from a single product, crab meat, and therefore we are highly susceptible to changes in market demand, which may be affected by factors over which we have limited or no control.

A significant portion of our revenues are derived from a single product, crab meat. We therefore are highly susceptible to changes in market demand, which may be impacted by factors over which we have limited or no control. Factors that could lead to a decline in market demand for crab meat include economic conditions and evolving consumer preferences. A substantial downturn in market demand for crab meat may have a material adverse effect on our business and on our results of operations.

Risks Related to Our Industry and TOBC's RAS Operations

Regulation of the fishing industry may have an adverse impact on our business.

The international community has been aware of and concerned with the worldwide problem of depletion of natural fish stocks. In the past, these concerns have resulted in the imposition of quotas that subject individual countries to strict limitations on the amount of seafood that is allowed to be caught or harvested. Environmental groups have been lobbying for additional limitations. If international organizations or national governments were to impose additional limitations on crab meat or the seafood products we sell, this could have a negative impact on our results of operations.

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Segments of the seafood industry in which we operate are competitive, and our inability to compete successfully could adversely affect our business, results of operations and financial condition.

We compete with major integrated seafood companies such as Tri Union Frozen Products, Inc. (Chicken of the Sea Frozen Foods), Phillips Foods, Inc., Harbor Seafood, Inc., and Twin Tails Seafood Corp. in our traditional sustainable seafood business and our primary competitors in our RAS business are Atlantic Sapphire, Nordic Aquafarms, Whole Oceans, Kuterra and Pure Salmon. Some of our competitors have the benefit of marketing their products under brand names that have better market recognition than ours or have stronger marketing and distribution channels than we do. Increased competition as to any of our products could result in price reduction, reduced margins and loss of market share, which could negatively affect our profitability. An increase in imported products in the United States at low prices could also negatively affect our profitability.

We are devoting some of our financial and management resources to our Fisheries and Oceans Canada – Freshwater / Land-based Aquaculture License litigation, and if we are unsuccessful in this lawsuit, our financial condition may be adversely affected.

Currently, we are devoting certain time, effort and financial resources to our lawsuit regarding the Fisheries and Oceans Canada – Freshwater / Land-based Aquaculture License. The License is required to operate the aquaculture farm, including the transfer of eggs and fingerlings to its facilities. In the event we are not awarded control of the License, this could diminish the value of our brand, adversely affect our ability to operate and maintain our services, and our business could be harmed. Even if we prevail, the litigation may be time-consuming and expensive, diverting management's attention from core business operations and potentially causing delays in expansion plans or regulatory approvals. There can be no assurance regarding the outcome of this litigation or its potential impact on our business, financial condition, and results of operations.

Our insurance coverage may be inadequate to cover losses we may incur or to fully replace a significant loss of assets.

Our involvement in the fishing industry may result in liability for pollution, property damage, personal injury or other hazards. Although we believe we have obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability and/or deductible amounts that may not be sufficient to cover the full extent of such liabilities or losses. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, we may choose not to obtain insurance to protect against specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to us. If we suffer a significant event or occurrence that is not fully insured, or if the insurer of such event is not solvent, we could be required to divert funds from capital investment or other uses towards covering any liability or loss for such events.

Our operations, revenue and profitability could be adversely affected by changes in laws and regulations in the countries where we do business.

The governments of countries into which we sell our products, from time to time, consider regulatory proposals relating to raw materials, food safety and markets, and environmental regulations, which, if adopted, could lead to disruptions in distribution of our products and increase our operational costs, which, in turn, could affect our profitability. To the extent that we increase our product prices as a result of such changes, our sales volume and revenues may be adversely affected.

Furthermore, these governments may change import regulations or impose additional taxes or duties on certain imports from time to time. These regulations and fees or new regulatory developments may have a material adverse impact on our operations, revenue and profitability. If one or more of the countries into which we sell our products bars the import or sale of crab meat or related products, our available market would shrink significantly, adversely impacting our results of operations and growth potential.

A decline in discretionary consumer spending may adversely affect our industry, our operations and ultimately our profitability.

Luxury products, such as premium grade crab meat, are discretionary purchases for consumers. Any reduction in consumer discretionary spending or disposable income may affect the crab meat industry significantly. Many economic factors outside of our control could affect consumer discretionary spending, including the financial markets, consumer credit availability, prevailing interest rates, energy costs, employment levels, salary levels, and tax rates. Any reduction in discretionary consumer spending could materially adversely affect our business and financial condition.

Our business is affected by the quality and quantity of the salmon that is harvested by TOBC.

We sell our products in a highly competitive market. The ability of TOBC to successfully sell its salmon and the price therefor, is highly dependent on the quality of the salmon. A number of factors can negatively affect the quality of the salmon sold, including the quality of the broodstock, water conditions in the farm, the food and additives consumed by the fish, population levels in the tanks, and the amount of time that it takes to bring a fish to harvest, including transportation and processing. Optimal growing conditions cannot always be assured. Although fish grown in RAS production systems are not subject to the disease and parasite issues that can affect salmon grown in ocean pens, there is the potential for organisms that are ubiquitous to freshwater environments to become pathogenic if the fish are subjected to stressful conditions or there is an issue with biomass management.

High standards for the quality of the product are maintained and if we determine that a harvest has not met such standards, we may be required to reduce inventory and write down the value of the harvest to reflect net realizable value. Sub-optimal conditions could lead to smaller harvests and or lower quality fish. Conversely, if we experience better than expected growth rates, we may not be able to process and bring our fish to market in a timely manner, which may result in overcrowding that can cause negative health impacts and/or require culling our fish population.

Furthermore, if our salmon is perceived by the market to be of lower quality than other available sources of salmon or other fish, we may experience reduced demand for our product and may not be able to sell our products at the prices that we expect or at all.

As we continue to expand our operations and build new farms, we potentially may face additional challenges with maintaining the quality of our products. We cannot guarantee that we will not face quality issues in the future, any of which could cause damage to our reputation, and a loss of consumer confidence in our products, which could have a material adverse effect on our business results and the value of our brands.

A shutdown, damage to any of our farms, or lack of availability of power, fuel, oxygen, eggs, water, or other key components needed for our operations, could result in our prematurely harvesting fish, a loss of a material percentage of our fish in production, a delay in our commercialization plans, and a material adverse effect on our operations, business results, reputation, and the value of our brands.

An interruption in the power, fuel, oxygen supply, water quality systems, or other critical infrastructure of an aquaculture facility for more than a short period of time could lead to the loss of a large number of fish. A shutdown of or damage to our farm due to natural disaster, shortages of key components to our operations due to a pandemic, reduction in water supply, contamination of our aquifers, interruption in services, or human interference could require us to prematurely harvest some or all of the fish or could result in a loss of our fish in production.

We also are dependent on egg availability. If we had a disruption in our ability to purchase eggs, we would not be able to continue to stock our farm. We cannot guarantee that any disruptions might not occur in the future, any of which could cause loss of salmon to sell, damage to our reputation, loss of consumer confidence in our products and company, and lost revenues, all of which could have a material adverse effect on our business results.

The successful development of our TOBC business depends on TOBC's ability to efficiently and cost-effectively produce and sell salmon at large commercial scale.

Our business plans depend on our ability to increase our production capacity through the development of larger farms. We have limited experience constructing, ramping up, and managing such large, commercial-scale facilities, and we may not have anticipated all of the factors or costs that could affect our production, harvest, sale, and delivery of salmon at such a scale. Our salmon may not perform as expected when raised at very large commercial scale, we may encounter operational challenges, control deficiencies may surface, our vendors may experience capacity constraints, or our production cost and timeline projections may prove to be inaccurate. Any of these could decrease process efficiency, create delays, and increase our costs. We are also subject to volatility in market demand and prices, such as the disruption of the salmon market including reduction in market prices for salmon.

In addition, competitive pressures, customer volatility and the possible inability to secure established and ongoing customer partnerships and contracts, may result in a lack of buyers for our fish. Customers of our fish may not wish to follow our terms and conditions of sale, potentially resulting in a violation of labeling or disclosure laws, improper food handling, nonpayment for product, and similar issues. The competitive landscape for salmon may create challenges in securing competitive pricing for our salmon to reach our competitive goals. In addition, it is possible that we may not be able to service our customers to meet their expectations regarding fish quality, ongoing harvest supply availability, order processing fill rate, on time or correct deliveries, potential issues with third party processors, and other factors, which could impact our relationships with customers, our reputation, and our business results.

Risks Related to Our Reliance on Third Parties

We are dependent on third parties for our operations and our business may be affected by supply chain interruptions and delays.

Our business is dependent upon our relationships with vendors in Southeast Asia and Latin America for co-packing, processing and shipping product to us. If for any reason these companies became unable or unwilling to continue to provide services to us, this would likely lead to a temporary interruption in our ability to import our products until we found another entity that could provide these services. Moreover, if supply chain delays occur, our product will arrive late which will adversely impact our revenue. Failure to find a suitable replacement, even on a temporary basis, would have an adverse effect on our results of operations.

We do not have long-term agreements with many of our customers and suppliers.

Many of our customers and suppliers operate through purchase orders. Though we have long-term business relationships with many of our customers and suppliers and alternative sources of supply for key items, we do not have long-term agreements with such customers and suppliers and cannot be sure that any of these customers or suppliers will continue to do business with us on the same basis or on terms that are favorable to us. The termination or modification of any of these relationships may adversely affect our business, financial performance and results of operations.

Risks Related to Our Financial Condition and Capital Requirements

Our independent registered public accounting firm has included an explanatory paragraph relating to our ability to continue as a going concern in its report on our audited financial statements.

The report from our independent registered public accounting firm for the year ended December 31, 2024 includes an explanatory paragraph stating that the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to increase revenues, execute on its business plan to acquire complimentary companies, raise capital and continue to sustain adequate working capital to finance its operations. If we are unable to do so, our financial condition and results of operations will be materially and adversely affected and we may be unable to continue as a going concern.

We face risks related to the current global economic environment which could harm our business, financial condition and results of operations.

The state of the global economy continues to be uncertain. The current global economic conditions and uncertain credit markets, concerns regarding the availability of credit pose a risk that could impact our international relationships, as well as our ability to manage normal commercial relationships with our customers, suppliers and creditors, including financial institutions. Global trade issues and the impositions of tariffs could also have an adverse effect on our international business activities. If the current global economic environment deteriorates, our business could be negatively affected.

We may need to raise additional capital to fund our existing commercial operations and develop and commercialize new products and expand our operations.

We may consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons, including to:

- increase our sales and marketing efforts and address competitive developments;
- provide for supply and inventory costs;
- fund development and marketing efforts of any future products or additional features to then-current products;
- acquire, license or invest in new technologies;
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses

Our present and future funding requirements will depend on many factors, including:

- our ability to achieve revenue growth and improve gross margins;
- the cost of expanding our operations and offerings, including our sales and marketing efforts;
- the effect of competing market developments; and
- costs related to international expansion.

The various ways we could raise additional capital carry potential risks. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any equity securities issued also could provide for rights, preferences or privileges senior to those of holders of our Common Stock. If we raise funds by issuing debt securities, those debt securities would have rights, preferences and privileges senior to those of holders of our Common Stock. The terms of debt securities issued or borrowings pursuant to a credit agreement could impose significant restrictions on our operations. If we raise funds through collaborations and licensing arrangements, we might be required to relinquish significant rights or grant licenses on terms that are not favorable to us.

Risks Related to Administrative, Organizational and Commercial Operations and Growth

We may be unable to manage our future growth effectively, which could make it difficult to execute our business strategy.

We anticipate growth in our business operations. This future growth could create a strain on our organizational, administrative and operational infrastructure, including manufacturing operations, quality control, technical support and customer service, sales force management and general and financial administration. Our ability to manage our growth properly will require us to continue to improve our operational, financial and management controls, as well as our reporting systems and procedures. If we are unable to manage our growth effectively, we may be unable to execute our business plan, which could have a material adverse effect on our business and our results of operations.

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If we are unable to support demand for our current and our future products, including ensuring that we have adequate resources to meet increased demand and mitigate any supply chain delays our business could be harmed.

As our commercial operations and sales volume grow, we will need to continue to increase our workflow capacity for processing, customer service, billing and general process improvements and expand our internal quality assurance program, and mitigate any supply chain delays we could have with our vendors, among other things. We may also need to purchase additional equipment and increase our manufacturing, maintenance, software and computing capacity to meet increased demand. We cannot assure you that any of these increases in scale, expansion of personnel, purchase of equipment or process enhancements will be successfully implemented.

The loss of our Executive Chairman and Chief Executive Officer or our inability to attract and retain highly skilled officers and key personnel could negatively impact our business.

Our success depends on the skills, experience and performance of John Keeler, our Executive Chairman and Chief Executive Officer. The individual and collective efforts of such individual will be important as we continue to develop and expand our commercial activities. The loss or incapacity of Mr. Keeler could negatively impact our operations if we experience difficulties in hiring qualified successors. Qualified employees periodically are in great demand and may be unavailable in the time frame required to satisfy our customers' requirements. Expansion of our business could require us to employ additional personnel. There can be no assurance that we will be able to attract and retain sufficient numbers of skilled employees in the future. The loss of personnel or our inability to hire or retain sufficient personnel at competitive rates could impair the growth of our business.

If we were sued for product liability or professional liability, we could face substantial liabilities that exceed our resources.

The marketing and sale of our products could lead to the filing of product liability claims alleging that our product made users ill. A product liability claim could result in substantial damages and be costly and time-consuming for us to defend.

We maintain product liability insurance, but this insurance may not fully protect us from the financial impact of defending against product liability claims. Any product liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any product liability lawsuit could lead to regulatory investigations, product recalls or withdrawals, damage our reputation or cause current vendors, suppliers and customers to terminate existing agreements and potential customers and partners to seek other suppliers, any of which could negatively impact our results of operations.

We face risks associated with our international business.

Our international business operations are subject to a variety of risks, including:

- difficulties with managing foreign and geographically dispersed operations;
- having to comply with various U.S. and international laws, including export control laws and the FCPA, and anti-money laundering laws;
- changes in uncertainties relating to foreign rules and regulations;
- tariffs, export or import restrictions, restrictions on remittances abroad, imposition of duties or taxes that limit our ability to import product;
- limitations on our ability to enter into cost-effective arrangements with distributors, or at all;
- fluctuations in foreign currency exchange rates;

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- imposition of limitations on production, sale or export in foreign countries;
- imposition of limitations on or increase of withholding and other taxes on remittances and other payments by foreign processors or joint ventures;
- imposition of differing labor laws and standards;
- economic, political or social instability in foreign countries and regions;
- an inability, or reduced ability, to protect our intellectual property, including any effect of compulsory licensing imposed by government action;
- availability of government subsidies or other incentives that benefit competitors in their local markets that are not available to us;
- difficulties in recruiting and retaining personnel, and managing international operations;

- less developed infrastructure; and impositions on operations as a result of the COVID-19 pandemic.

If we expand into other target markets, we cannot assure you that our expansion plans will be realized, or if realized, be successful. We expect each market to have particular regulatory and funding hurdles to overcome and future developments in these markets, including the uncertainty relating to governmental policies and regulations, could harm our business. If we expend significant time and resources on expansion plans that fail or are delayed, our reputation, business and financial condition may be harmed.

Our results may be impacted by changes in foreign currency exchange rates.

Currently, the majority of our international sales contracts are denominated in U.S. dollars. We pay certain of our suppliers in a foreign currency and we may pay others in the future in foreign currency. As a result, an increase in the value of the U.S. dollar relative to foreign currencies could require us to reduce our selling price or risk making our product less competitive in international markets or our costs could increase. Also, if our international sales increase, we may enter into a greater number of transactions denominated in non-U.S. dollars, which could expose us to foreign currency risks, including changes in currency exchange rates.

A larger portion of our revenues may be denominated in other foreign currencies if we expand our international operations. Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates that could have a negative impact on our operating results. Fluctuations in the value of the U.S. dollar relative to other currencies impact our revenues, cost of revenues and operating margins and result in foreign currency translation gains and losses.

We could be negatively impacted by violations of applicable anti-corruption laws or violations of our internal policies designed to ensure ethical business practices.

We operate in a number of countries throughout the world, including in countries that do not have as strong a commitment to anti-corruption and ethical behavior that is required by U.S. laws or by corporate policies. We are subject to the risk that we, our U.S. employees or our employees located in other jurisdictions or any third parties that we engage to do work on our behalf in foreign countries may take action determined to be in violation of anti-corruption laws in any jurisdiction in which we conduct business. Any violation of anti-corruption laws or regulations could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might harm our business, financial condition or results of operations. Further, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

We depend on our information technology systems, and any failure of these systems could harm our business.

We depend on information technology and telecommunications systems for significant elements of our operations. We have developed propriety software for the management and operation of our business. We have installed and expect to expand a number of enterprise software systems that affect a broad range of business processes and functional areas, including for example, systems handling human resources, financial controls and reporting, contract management, regulatory compliance and other infrastructure operations.

Information technology and telecommunications systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and back-up measures, some of our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures we have taken to prevent unanticipated problems that could affect our information technology and telecommunications systems, failures or significant downtime of our information technology or telecommunications systems or those used by our third-party service providers could prevent us from providing support services and product to our customers and managing the administrative aspects of our business. Any disruption or loss of information technology or telecommunications systems on which critical aspects of our operations depend could harm our business.

Our operations are vulnerable to interruption or loss due to natural or other disasters, power loss, strikes and other events beyond our control.

We conduct a significant portion of our activities, including administration and data processing, at facilities located in Southern Florida that have experienced major hurricanes and floods which could affect our facilities, significantly disrupt our operations, and delay or prevent product shipment during the time required to repair, rebuild or replace damaged processing facilities. Our suppliers in Southeast Asia and Latin America are also vulnerable to natural disasters which could disrupt their operations and their ability to supply product to us. If any of our customers' facilities are negatively impacted by a disaster, product shipments could be delayed. Additionally, customers may delay purchases of products until operations return to normal. Even if we and/or our suppliers are able to quickly respond to a disaster, the ongoing effects of the disaster could create some uncertainty in the operations of our business. In addition, our facilities may be subject to a shortage of available electrical power and other energy supplies. Any shortages may increase our costs for power and energy supplies or could result in blackouts, which could disrupt the operations of our affected facilities and harm our business.

Risks Related to Intellectual Property

Our intellectual property rights are valuable, and any inability to adequately protect, or uncertainty regarding validity, enforceability or scope of them could undermine our competitive position and reduce the value of our products, services and brand, and litigation to protect our intellectual property rights may be costly.

We attempt to strengthen and differentiate our product portfolio by developing new and innovative products and product improvements. As a result, our patents, trademarks, trade secrets, copyrights and other intellectual property rights are important assets to us. Various events outside of our control pose a threat to our intellectual property rights as well as to our products and services. For example, effective intellectual property protection may not be available in countries in which our products are sold. Also, although we have registered our trademark in various jurisdictions, our efforts to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. Litigation might be necessary to protect our intellectual property rights and any such litigation may be costly and may divert our management's attention from our core business. An adverse determination in any lawsuit involving our intellectual property is likely to jeopardize our business prospects and reputation. Although we are not aware of any of such litigation, we have no insurance coverage against litigation costs, and we would be forced to bear all litigation costs if we cannot recover them from other parties. All foregoing factors could harm our business, financial condition, and results of operations. Any unauthorized use of our intellectual property could harm our operating results.

We may be exposed to infringement or misappropriation claims by third parties, which, if determined against us, could adversely affect our business and subject us to significant liability to third parties.

Our success mainly depends on our ability to use and develop our technology and product designs without infringing upon the intellectual property rights

of third parties. We may be subject to litigation involving claims of patent infringement or violations of other intellectual property rights of third parties. Holders of patents and other intellectual property rights potentially relevant to our product offerings may be unknown to us, which may make it difficult for us to acquire a license on commercially acceptable terms. There may also be technologies licensed to us and that we rely upon that are subject to infringement or other corresponding allegations or claims by third parties which may damage our ability to rely on such technologies. In addition, although we endeavor to ensure that companies that work with us possess appropriate intellectual property rights or licenses, we cannot fully avoid the risks of intellectual property rights infringement created by suppliers of components used in our products or by companies we work with in cooperative research and development activities. Our current or potential competitors may obtain patents that will prevent, limit or interfere with our ability to make, use or sell our products. The defense of intellectual property claims, including patent infringement suits, and related legal and administrative proceedings can be both costly and time consuming, and may significantly divert the efforts and resources of our technical personnel and management. These factors could effectively prevent us from pursuing some or all of our business operations and result in our customers or potential customers deferring, canceling or limiting their purchase or use of our products, which may have a material adverse effect on our business, financial condition and results of operations.

Our commercial success will depend in part on our success in obtaining and maintaining issued patents and other intellectual property rights in the United States and elsewhere. If we do not adequately protect our intellectual property, competitors may be able to use our processes and erode or negate any competitive advantage we may have, which could harm our business.

We cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect our products, any additional features we develop or any new products. Patents, if issued, may be challenged, deemed unenforceable, invalidated or circumvented.

Furthermore, though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Competitors may also be able to design around our patents. Other parties may develop and obtain patent protection for more effective technologies, designs or methods. We may not be able to prevent the unauthorized disclosure or use of our knowledge or trade secrets by consultants, suppliers, vendors, former employees and current employees. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries. If any of these developments were to occur, they each could have a negative impact on our sales.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.

We rely upon copyright and trade secret protection, as well as non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We may not be able to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop the infringement or the misappropriation of our intellectual property rights. Many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Risks Related to Regulatory Matters

Our products and operations are subject to government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business.

The FDA and other government agencies regulate, among other things, with respect to our products and operations:

- design, development and manufacturing;
- testing, labeling, content and language of instructions for use and storage;
- product safety;
- marketing, sales and distribution;
- record keeping procedures;

- advertising and promotion;
- recalls and corrective actions; and
- product import and export.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales.

The failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as:

- warning letters;
- fines;
- injunctions;
- civil penalties;
- termination of distribution;
- recalls or seizures of products;
- delays in the introduction of products into the market; and
- total or partial suspension of production.

We may also be required to take corrective actions, such as installing additional equipment or taking other actions, each of which could require us to make substantial capital expenditures. We could also be required to indemnify our employees in connection with any expenses or liabilities that they may incur individually in connection with regulatory action against them. As a result, our future business prospects could deteriorate due to regulatory constraints, and our profitability could be impaired by our obligation to provide such indemnification to our employees.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and harm our reputation, business, financial condition and results of operations.

Product liability claims could divert management's attention from our business, be expensive to defend and result in sizeable damage awards against us that may not be covered by insurance.

Unavailability of materials or higher costs could adversely affect our financial results.

We depend on domestic and international suppliers. Our reliance on third-party suppliers creates risks related to our potential inability to obtain crab meat or related products and reduce control over pricing and timing of delivery of our products. Although we may implement agreements with strategic suppliers to mitigate the risk of supply continuity, disruptions remain possible. Additionally, if our suppliers do not allocate sufficient production, they may decommit from agreed supply levels, or inaccurately forecast demand, we may face reduced access what we need. As the scale of our products increases, we need to accurately forecast, purchase based on our demand. If we are unable to accurately match the timing and quantities of purchases to our actual needs, we may incur costs related to unexpected disruption which may harm our business prospects and financial condition.

If significant tariffs or other restrictions continue to be placed on foreign imports by the United States, our sales and results of operations may be harmed. For example, ongoing trade tensions between the United States and China have led to a series of significant tariffs on the importation of certain product categories into the United States over recent years. In retaliation for these tariffs, China has recently placed restrictions on the export of certain raw materials. Further, President Trump has proposed significantly increased tariffs on foreign imports into the United States, particularly from China, Mexico and Canada. Such tariffs could have a significant impact on our business, particularly the importation of products used in our business, or could result in our products exported from the United States being subject to retaliatory tariffs imposed by other countries. We also source certain materials from foreign countries, as do some of our suppliers. The implementation of tariffs and trade restrictions as well as changes in trade policies between the United States and such foreign countries could lead to increases in our supply costs and make it more difficult to obtain suppliers and may have an adverse effect on our supply chain from a cost and sourcing perspective. If we attempt to renegotiate prices with suppliers or diversify our supply chain in response to tariffs, such efforts may not yield immediate results or may be ineffective. We might also consider increasing prices to the end consumer; however, this could reduce the competitiveness of our products and adversely affect net sales. If we fail to manage these dynamics successfully, gross margins and profitability could be adversely affected. Increased tariffs or trade restrictions implemented by the United States could have a material adverse effect on our business prospects, operating results and financial condition.

Risks Relating to Our Common Stock

The price of our Common Stock may be volatile and may be influenced by numerous factors, some of which are beyond our control.

Factors that could cause volatility in the market price of our Common Stock include:

- actual or anticipated fluctuations in our financial condition and operating results;
- actual or anticipated changes in our growth rate relative to our competitors;
- commercial success and market acceptance of our products;
- success of our competitors in commercializing products;
- strategic transactions undertaken by us;
- additions or departures of key personnel;

- product liability claims;
- prevailing economic conditions;
- disputes concerning our intellectual property or other proprietary rights;
- U.S. or foreign regulatory actions affecting us or our industry;
- sales of our Common Stock by our officers, directors or significant stockholders;
- future sales or issuances of equity or debt securities by us;
- business disruptions caused by natural disasters; and
- issuance of new or changed securities analysts' reports or recommendations regarding us.

In addition, the stock markets in general have experienced extreme volatility that have been often unrelated to the operating performance of the issuer. These broad market fluctuations may negatively impact the price or liquidity of our Common Stock. In the past, when the price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of our stockholders were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our management would be diverted from the operation of our business.

You may experience dilution of your ownership interests because of the future issuance of additional shares of our Common Stock or preferred stock or other securities that are convertible into or exercisable for our Common Stock or preferred stock.

If our existing stockholders exercise warrants or sell, or indicate an intention to sell, substantial amounts of our Common Stock in the public market, the price of our Common Stock could decline. The perception in the market that these sales may occur could also cause the price of our Common Stock to decline.

In the future, we may issue authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of the then current stockholders. We are authorized to issue an aggregate of 100,000,000 shares of Common Stock and 5,000,000 shares of "blank check" preferred stock. We may issue additional shares of our Common Stock or other securities that are convertible into or exercisable for our common stock in connection with hiring or retaining employees, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our Common Stock may create downward pressure on the trading price of the Common Stock. We may need to raise additional capital in the near future to meet our working capital needs, and there can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with the capital raising efforts, including at a price (or exercise prices) below the price you paid for your stock.

Trading on the OTCQB Market is volatile and sporadic, which could depress the market price of our Common Stock and make it difficult for the holders to resell their Common Stock.

At the end of 2024, the Common Stock of the Company was quoted on the OTC Pink Market. Trading in securities quoted on the OTC Pink Market is often thin and characterized by wide fluctuations in trading prices, due to many factors, some of which may have little to do with our operations or business prospects. This volatility could depress the market price of the Common Stock for reasons unrelated to operating performance. Moreover, the OTC Pink Market is not a stock exchange, and trading of securities on the OTC Pink Market is often more sporadic than the trading of securities listed on Nasdaq. These factors may result in shareholders having difficulty reselling any Common Stock.

Our Common Stock began trading on the OTCQB in February 2025. The OTCQB market is not a national securities exchange and does not provide the benefits to stockholders which a national exchange provides. Furthermore, according to the OTC Markets website, the OTCQB "is for early-stage and developing U.S. and international companies. To be eligible, companies must be current in their reporting and undergo an annual verification and management certification process. Companies must meet \$0.01 bid test and may not be in bankruptcy." There is a still limited trading market for our Common Stock. Accordingly, there can be no assurance as to the liquidity of any market that may develop for our Common Stock.

Management may have broad discretion as to the use of the proceeds from offerings of its securities and may not use the proceeds effectively.

Because the Company may not designate the amount of net proceeds from offerings to be used for any particular purpose, management may have broad discretion as to the application of the net proceeds and could use them for purposes other than those contemplated at the time of such offering. Management may use net proceeds for corporate purposes that may not improve the Company's financial condition or market value.

Our Common Stock may be deemed a "penny stock" which may reduce the value of an investment in the stock.

Rule 15c-9 under the Exchange Act establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (a) that a broker or dealer approve a person's account for transactions in penny stocks; and (b) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must: (a) obtain financial information and investment experience objectives of the person and (b) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form: (a) sets forth the basis on which the broker or dealer made the suitability determination; and (b) confirms that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. If our Common Stock is or becomes subject to the "penny stock" rules, it may be more difficult for investors to dispose of our Common Stock and cause a decline in the market value of our Common Stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about commissions payable to both the broker or dealer and the registered representative, current quotations for the securities and the rights and remedies available to an

investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

The sales practice requirements of the Financial Industry Regulatory Authority's ("FINRA") may limit a stockholder's ability to buy and sell our Common Stock.

FINRA has adopted rules requiring that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative or low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA has indicated its belief that there is a high probability that speculative or low-priced securities will not be suitable for at least some customers. If these FINRA requirements are applicable to us or our securities, they may make it more difficult for broker-dealers to recommend that at least some of their customers buy our Common Stock, which may limit the ability of our stockholders to buy and sell our Common Stock and could have an adverse effect on the market for and price of our Common Stock.

Our operating results for a particular period may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause the price of our Common Stock to fluctuate or decline.

We expect our operating results to be subject to fluctuations. Our operating results will be affected by numerous factors, including:

- variations in the level of expenses related to future development plans;
- fluctuations in value of the underlying commodity;
- inability to procure sufficient quantities to meet demand due to the scarcity of the product available from its suppliers;
- level of underlying demand for our products and any other products we sell;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- regulatory developments affecting us or our competitors; and
- the continuing effects of the COVID-19 pandemic.

If our operating results for a particular period fall below the expectations of investors or securities analysts, the price of our Common Stock could decline substantially. Furthermore, any fluctuations in our operating results may, in turn, cause the price of our Common Stock to fluctuate substantially. We believe that comparisons of our financial results from various reporting periods are not necessarily meaningful and should not be relied upon as an indication of our future performance.

Issuance of stock to fund our operations may dilute your investment and reduce your equity interest.

We may need to raise capital in the future to fund the development of our seafood business. Any equity financing may have significant dilutive effect to stockholders and a material decrease in our stockholders' equity interest in us. Equity financing, if obtained, could result in substantial dilution to our existing stockholders. At its sole discretion, our board of directors may issue additional securities without seeking stockholder approval, and we do not know when we will need additional capital or, if we do, whether it will be available to us.

Provisions of our charter documents or Delaware law could delay or prevent an acquisition of the Company, even if such an acquisition would be beneficial to our stockholders, which could make it more difficult for you to change management.

Provisions in our certificate of incorporation and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. In addition, these provisions may frustrate or prevent any attempt by our stockholders to replace or remove our current management by making it more difficult to replace or remove our board of directors.

In addition, Delaware law prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person who, together with its affiliates, owns, or within the last three years has owned, 15% or more of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Accordingly, Delaware law may discourage, delay or prevent a change in control of the company. Furthermore, our certificate of incorporation will specify that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable in such action.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future therefore capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We have never declared or paid cash dividends on our Common Stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. In addition, our current loan and security agreement with Lighthouse contains, and our future loan arrangements, if any, may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our Common Stock. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 1C. CYBERSECURITY

The Company engages a third-party provider to maintain our systems and management participates in the assessment to identify any risks from

cybersecurity threats. Our third-party provider monitors our firewall, network, system security and internal and external backups and reports any issues to the Company.

The Company's Board, together with management, is engaged in our cybersecurity monitoring managed by our third-party provider and it is constantly changing. Any issues are appropriately addressed timely.

To date, we have not experienced any cybersecurity incidents that materially affected our business strategy, results of operations or financial condition.

ITEM 2. PROPERTIES

The Company's executive offices and warehouse facility are based in Miami, Florida. On January 1, 2022, the Company entered into a verbal month-to-month lease agreement for 4,756 square feet of its executive offices with an unrelated third party, for monthly rent of \$5,800. The Company has paid \$69,900 to date under this lease.

Coastal Pride leased approximately 1,100 square feet of office space in Beaufort, South Carolina which consists of a lease with a related party for \$1,000 per month that expires in October 2024. In August 2024, the lease was terminated. For the year ended December 31, 2024, Coastal Pride paid \$8,000 on the lease.

Coastal Pride also leased a 9,050 square foot facility for \$1,000 per month from Gault Seafood, LLC, ("Gault") for its soft-shell crab operations in Beaufort, South Carolina under a one-year lease that expired in February 2023. On February 3, 2023, the lease was renewed for \$1,500 per month until February 2024. On February 3, 2024, Coastal Pride entered into a verbal month-to-month lease agreement with Gault for \$1,500 per month.

The offices and facility of TOBC are located in Nanaimo, British Columbia, Canada and are on land which was leased to TOBC for approximately \$2,500 per month plus taxes, from Steve and Janet Atkinson, the former TOBC owners. On April 1, 2022, TOBC entered into a new five-year lease with Steve and Janet Atkinson for CAD\$2,590 per month plus taxes, and an additional five-year lease with Kathryn Atkinson for CAD\$2,370 per month plus. Both leases are renewable for two additional five-year terms.

We currently believe these spaces will be adequate for our immediate and near-term needs.

ITEM 3. LEGAL PROCEEDINGS

On July 16, 2024, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia (the "Court") against their landlords Steven Atkinson, Kathryn Atkinson and Janet Atkinson (the "Landlords") requesting a declaration that their commercial lease located at 2904 and 2934 Jameson Road, Nanaimo, B.C. V9R 6W8 dated April 1, 2022 by and between TOBC and their Landlords is a valid lease and remains in full force and effect. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

On January 17, 2025, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia against Harold Steven Atkinson, Janet Atkinson and Ben Atkinson (the "Defendants") for breach of contract, tort of intentional interference with economic relations, breach of confidentiality and non-compete, breach of trust, breach of fiduciary duty, defamation, breach of duty of honest performance and good faith, and damages. The Company claims that Harold Steven Atkinson purposely hid the renewal process of the Fisheries and Oceans Canada – Freshwater / Land-based Aquaculture License (the "License") and placed the License in his personal name when it should be in the name of TOBC. The License is required to operate the aquaculture farm, including the transfer of eggs and fingerlings to its facilities. While the dispute of who controls the License is ongoing, management believes that the Company can continue to operate as the licensed facility pertains to TOBC.

The Company is waiting for the Defendants to respond and a court date to be granted. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the OTCBQ Venture Market ("OTCQB") under the symbol "BSFC".

The last reported sales price of our common stock on the OTCQB on June 18, 2025, was \$0.051.

Holders

As of June 20, 2025, the Company had 68 stockholders of record.

Dividends

We have not paid any dividends on our capital stock and do not anticipate paying any dividends in the foreseeable future. At present, our policy is to retain earnings, if any, to develop and market our products and implement our business plan. The payment of dividends in the future will depend upon, among other factors, our earnings, capital requirements, and operating financial conditions.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information regarding our equity compensation plans as of December 31, 2024.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,935(1)	1,469.20	3,575
Equity compensation plans not approved by security holders	0	0	0

(1) Represents (i) a ten-year option to purchase 3,120 shares of common stock at an exercise price of \$2,000.00 per share granted to Christopher Constable, the Company's former chief financial officer and director; (ii) ten-year options to purchase 250 shares of common stock at an exercise price of \$2,000.00 per share to Miozotis Ponce, the Company's Chief Operating Officer; (iii) ten-year options to purchase an aggregate of 351 shares of common stock at an exercise price of \$2,000.00 per share to certain employees; (iv) ten-year options to purchase an aggregate of 25 shares of common stock at an exercise price of \$2,000.00 per share to certain contractors under the 2018 Plan; (v) five-year options to purchase an aggregate of 125 shares of common stock at an exercise price of \$2,000.00 per share to the Company's directors; (vi) three-year options to purchase 28 shares of common stock at an exercise price of \$860.00 per share to an employee; (vii) three-year options to purchase 6 shares of common stock at an exercise price of \$790.00 per share to an employee; and (viii) three-year options to purchase 1,030 shares of common stock at an exercise price of \$17.75 per share to an employee.

Recent Sales of Unregistered Securities

Except as set forth below, there were no sales of equity securities during the period covered by this Report that were not registered under the Securities Act and were not previously reported in a Quarterly Report on Form 10-Q or a Current Report on Form 8-K filed by the Company.

During the months of January 1, 2024 to March 1, 2025, the Company issued an aggregate of 430,880 shares of common stock, to the designee of ClearThink Capital for consulting services provided to the Company.

During the months of June 1, 2024 to December 31, 2024, the Company issued an aggregate of 1,732,108 shares of common stock to Lind to settle its convertible notes.

On May 22, 2024, the Company issued 10,000 shares of common stock to Hart, with a fair value of \$23,300, as a commitment fee on the promissory note.

On August 12, 2024, the Company issued 19,650 shares of common stock to Jefferson Street Capital, LLC, with a fair value of \$22,794, as a commitment fee on the promissory note.

On August 12, 2024, the Company issued 19,650 shares of common stock to Quick Capital, LLC, with a fair value of \$22,794, as a commitment fee on the promissory note.

On October 18, 2024, the Company issued 172,000 shares of common stock with a fair value of \$86,000 to Mark Crone for consulting services provided to the Company.

On October 18, 2024, the Company issued 168,000 shares of common stock with a fair value of \$84,000 to Walter F. Lubkin Jr. for consulting services provided to the Company.

On December 27, 2024, January 17, 2025, and February 25, 2025, the Company issued an aggregate of 656,484 shares of common stock to Jefferson as partial conversion of \$52,269 principal and accrued interest pursuant to the convertible promissory note.

On January 13, 2025 and February 24, 2025, the Company issued an aggregate of 750,000 shares of common stock to Quick Capital as partial conversion of \$57,673 principal pursuant to the convertible promissory note.

On January 14, 2025, the Company issued 480,000 shares of common stock to each of Nubar Herian and John Keeler, 960,000 shares of common stock to each of Timothy McLellan and Trond Ringstad, and 1,440,000 shares of common stock to Jeffrey Guzy, for serving as directors of the Company.

On March 12, 2025, the Company issued 288,101 shares of common stock to Diagonal as partial conversion of \$15,000 principal pursuant to the convertible promissory note.

The above issuances did not involve any underwriters, underwriting discounts or commissions, or any public offering and we believe are exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations should be read in conjunction with the financial statements and the notes to those statements appearing in this Annual Report. This discussion contains forward-looking statements that are based on our current expectations, estimates and projections about our business and operations. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this prospectus.

Overview

We are an international seafood company that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. Our current source of revenue is from importing blue and red swimming crab meat primarily from South East Asia and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh, as well as soft shell crab in the United States and steelhead salmon and rainbow trout fingerlings produced under the brand name Little Cedar Farms for distribution in Canada. The crab meat which we import is processed in six out of the ten plants available throughout Southeast Asia. Our suppliers are primarily via co-packing relationships, including two affiliated suppliers. We sell primarily to food service distributors. We also sell our products to wholesalers, retail establishments and seafood distributors.

Recent Developments

Reverse Split

On May 7, 2024, the Company's board of directors approved, and on April 30, 2024, at a special meeting of the stockholders, holders of approximately 62.9% of the Company's voting power, approved the granting of authority to the Board to amend the Company's Certificate of Incorporation to effect a reverse stock split of the issued and outstanding shares of the Company's common stock, by a ratio of not less than 1-for-2 and not more than 1-for-50, with the exact ratio to be determined by the Board in its sole discretion.

The Board determined to effectuate a 1:50 reverse stock split (the "Reverse Stock Split") and on May 20, 2024 the Company amended its Certificate of Incorporation to effect the Reverse Stock Split. All shares and per share amounts in the financial statements have been retrospectively adjusted for all periods presented to reflect the Reverse Stock Split.

Agile Loan

On January 28, 2025, the Company entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$420,000 which principal and interest (of \$176,400) and has a maturity date of August 15, 2025. Commencing February 7, 2025, the Company is required to make weekly payments of \$21,300 until the maturity date.

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Vendor Agreement

On November 12, 2024 the Company entered into a vendor agreement with Low Tide LLC ("LT"). The term of the agreement is 180 days, with will be automatically renewed for additional successive 180 day terms unless either party gives 90 days written notice to terminate to the other.

LT has developed products, including but not limited to seafood, under the Wicked Tuna brand using its licensing rights from Pilgrim and the Toby Keith brand, (collectively the "Products"). We will, with LT, promote and sell the Products.

The Company may, at its discretion, provide funding for the inventory to fulfill a purchase order (each a "PO") for the Products sold, and the parties will each receive the following:

- (i) As relates to Wicked Tuna, if the Company obtains a PO of a Product from its customers, we will pay LT a five percent (5%) margin on the Net Sales Amount. Net Sales Amount shall mean gross sales less returns and promotions and freight allowance.
- (ii) As relates to the Toby Keith brand, if LT obtains a PO for the Products from its customers and the Company funds the purchase of the inventory to fulfill the PO, the Company shall receive a fee of one percent (1%) of the amount funded per month from LT from the first day of each month that the amount remains outstanding plus an allocation expense which shall be a direct pass through of cost which shall be calculated to include the cost of the product as well expenses associated with transportation, storage and miscellaneous expenses. The Company will be paid directly by LT's customers. Thereafter, the Company will pay LT its portion within 48 hours of receiving funds for each PO.

The parties agreed to certain customary covenants, including those relating to confidentiality and litigation. The parties also agreed to certain mutual indemnification provisions for breaches or inaccuracies in their respective representations and warranties or covenants. There were no transactions with LT during the year ended December 31, 2024.

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NASDAQ Delisting

On December 18, 2024, the Company received formal notice from The Nasdaq Stock Market LLC ("Nasdaq") that the Nasdaq Hearings Panel (the "Panel") had determined to delist the Company's securities from Nasdaq based upon the Company's violation of Listing Rule 5550(a)(2), the "Minimum Bid Price Requirement". As a result of the Panel's decision, Nasdaq suspended trading in the Company's Common Stock effectively with the open of business on Friday, December 20, 2024.

The Company's Common Stock was traded on the OTC Markets' OTC Pink Current Information tier at the end of December 2024. In February 2025, the Company was upgraded to the OTCQB tier.

British Columbia Civil Claim

On July 16, 2024, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia (the "Court") against their landlords Steven Atkinson, Kathryn Atkinson and Janet Atkinson (the "Landlords") requesting a declaration that their commercial lease located at 2904 and 2934 Jameson Road, Nanaimo, B.C. V9R 6W8 dated April 1, 2022 by and between TOBC and their Landlords is a valid lease and remains in full force and effect. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

On January 10, 2025 a notice of civil claim filed by a former employee of TOBC., in the British Columbia Supreme Court. The claim relates to the termination of Mr. Atkinson's employment with TOBC in February 2024 as well as a separate claim of defamation against the Company. A response to the civil claim was filed by the Company and TOBC. The discovery process in this matter has recently begun and it is difficult at this stage to assess the merits of the claim and the likelihood of a favorable or unfavorable result. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

Results of Operations

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, the audited financial statements and related notes elsewhere in this Annual Report.

Year Ended December 31, 2024 compared to the Year Ended December 31, 2023

Net Sales. Revenue for the year ended December 31, 2024 decreased 41.3% to \$3,593,881 as compared to \$6,124,529 for the year ended December 31, 2023 as a result of a decrease in poundage sold during the year ended December 31, 2024.

Cost of Goods Sold. Cost of goods sold for the year ended December 31, 2024 decreased to \$4,882,871 as compared to \$5,966,452 for the year ended December 31, 2023. This decrease is attributable to the decrease in poundage sold in the cost of goods.

Gross Profit (Loss). Gross loss for the year ended December 31, 2024 is \$1,288,990 as compared to gross profit of \$158,077 for the year ended December 31, 2023. This decrease is attributable to higher market prices and higher inventory reserve in comparison to the year ended December 31, 2023.

Gross Profit (Loss) Margin. Gross loss margin for the year ended December 31, 2024 is 35.9% as compared to gross profit margin of 2.6% for the year ended December 31, 2023. This decrease is attributable to higher market prices and higher inventory reserve in comparison to the year ended December 31, 2023.

Commissions Expenses. Commissions expenses increased to \$4,490 for the year ended December 31, 2024 from \$2,169 for the year ended December 31, 2023. The increase is attributable to higher commissionable revenues.

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Salaries and Wages Expense. Salaries and wages decreased to \$1,668,585 for the year ended December 31, 2024 as compared to \$1,858,004 for the year ended December 31, 2023. This decrease is primarily attributable to a reduction in the number of employees and the absence of stock-based compensation expense for the year ended December 31, 2024.

Depreciation and Amortization. Depreciation and amortization expense increased to \$5,866 for the year ended December 31, 2024 as compared to \$4,521 for the year ended December 31, 2023. This increase is attributable to higher depreciation due to purchase of new fixed assets in the year ended December 31, 2024.

Other Operating Expense. Other operating expenses increased 177% to \$7,147,468 for the year ended December 31, 2024 as compared to \$2,525,661 for the year ended December 31, 2023. This increase is mainly attributable to an increase in legal and professional fees related to our business operations, the valuation allowances recorded for advances and receivables with related parties and the \$1.5 million losses sustained from the service agreement that we entered into with Afritex Texas which expired in August 2024.

Other Income. Other income increased to \$51,926 for the year ended December 31, 2024 from \$12,708 for the year ended December 31, 2023. This increase is primarily attributable to higher collections received by Keeler & Co. from previously written off receivables.

Loss on Conversion of Debt. Loss on conversion of debt decreased to \$0 for the year ended December 31, 2024 from \$977,188 for the year ended December 31, 2023. This decrease is attributable to the decrease on conversion of principal in the Lind note.

Change in Fair Value of Derivatives and Warrants Liabilities. Change in fair value of derivatives and warrants liabilities decreased to a loss of \$354,296 for the year ended December 31, 2024 from a gain of \$2,497,088 for the year ended December 31, 2023. This decrease is attributable to fair value measurement for the derivative liability and warrant liability as of December 31, 2024.

Interest Expense. Interest expense increased to \$2,060,718 for the year ended December 31, 2024 as compared to \$1,771,942 for the year ended December 31, 2023. This increase is mainly attributable to the amortization of convertible debt discount along with interest expense paid for various note payables.

Net Loss. The Company had a net loss of \$12,478,487 for the year ended December 31, 2024 as compared to a net loss of \$4,471,612 for the year ended December 31, 2023. The increase in net loss is primarily attributable to valuation allowance recorded for the related party long-term receivable, the valuation allowance for advances to related parties, the loss within AFVFL and the loss from change in fair values of derivative and warrant liabilities.

Liquidity and Capital Resources

The Company had cash of \$326,854 as of December 31, 2024. At December 31, 2024, the Company had a working capital deficit of \$411,225, as compared to a working capital surplus of \$899,215 at December 31, 2023, including \$165,620 in stockholder loans. The Company's primary sources of liquidity consisted of inventory of \$447,760 and accounts receivable of \$349,641 at December 31, 2024. The decrease in working capital was due primarily to decreases of inventory of \$2,160,761 and accounts receivable of \$184,554 netted against the decreases in the stockholder loans of \$165,620 and increase of short-term debt of \$472,760.

The Company has historically financed its operations through the cash flow generated from operations, loans from stockholders and other related parties as well as a working capital line of credit and the sale of equity in private offerings.

Cash (Used in) Operating Activities. Cash used in operating activities during the year ended December 31, 2024 was \$6,195,893 as compared to cash used in operating activities of \$3,530,662 for the year ended December 31, 2023, representing an increase of \$2,665,231. The increase is primarily attributable to a decrease in inventory of \$1,104,175 netted against the decreases in customer refunds of \$323,051, accounts receivable netted against other current assets of \$488,612 and increase in payables netted against allowance for advances to affiliated suppliers of \$2,059,616 for the year ended December 31, 2024.

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Cash (Used in) Investing Activities. Cash used in investing activities for the year ended December 31, 2024 was \$101,736 as compared to \$159,609 cash used in investing activities for the year ended December 31, 2023. The decrease was a result of less fixed asset purchases during the year ended December 31, 2024 compared to the year ended December 31, 2023.

Cash Provided by Financing Activities. Cash provided by financing activities for the year ended December 31, 2024 was \$6,417,872 as compared to cash provided by financing activities of \$3,676,355 for the year ended December 31, 2023. This increase is mainly attributable to proceeds from common stock offerings and proceeds from short-term loans.

Lind Global Fund II LP investment

On May 30, 2023, the Company entered into a securities purchase agreement with Lind pursuant to which the Company issued to Lind a secured, two-year, interest free convertible promissory note in the principal amount of \$1,200,000 (the "Lind Note") and a warrant (the "Lind Warrant") to purchase 8,701 shares of common stock of the Company commencing six months after issuance and exercisable for five years at an exercise price of \$122.50 per

share, for the aggregate funding amount of \$1,000,000. The Lind Warrant includes cashless exercise and full ratchet anti-dilution provisions. In connection with the issuance of the Lind Note and the Lind Warrant, the Company paid Lind a \$50,000 commitment fee. The proceeds from the sale of the Note and Warrant are for general working capital purposes.

On July 27, 2023, the Company, entered into a First Amendment to the securities purchase agreement (the "Purchase Agreement Amendment") with Lind, pursuant to which the Company amended the securities purchase agreement, entered into with Lind as of May 30, 2023 in order to permit the issuance of further senior convertible promissory notes in the aggregate principal amount of up to \$1,800,000 and warrants in such aggregate amount as the Company and Lind shall mutually agree.

Pursuant to the Purchase Agreement Amendment, the Company issued to Lind a two-year, interest free convertible promissory note in the principal amount of \$300,000 and a warrant to purchase 3,505 shares of common stock of the Company commencing six months after issuance and exercisable for five years at an exercise price of \$67.00 per share, for the aggregate amount of \$250,000. In connection with the issuance of the note and the warrant, the Company paid a \$12,500 commitment fee. The proceeds from the sale of the note and warrant are for general working capital purposes.

On August 3, 2024 the Company and Lind entered into a waiver and acknowledgement agreement.

The Company and Lind previously entered into that certain Securities Purchase Agreement, dated as of May 20, 2023, as amended on July 27, 2023 pursuant to which the Company issued Lind a senior convertible promissory note in the principal amount of \$300,000. Each of the Company and Lind acknowledge that the amounts owing under the convertible promissory note as of the filing of the Waiver Agreement is equal to \$355,500.

During the year ended December 31, 2024, the Company made aggregate principal payments on the Lind Note of \$1,500,000 through the issuance of an aggregate of 1,891,622 shares of common stock. As of December 31, 2024, the outstanding balance on the Lind Note was \$55,500, net of debt discount of \$27,656.

Agile Loan

On March 1, 2024, the Company, through its subsidiary Keeler & Co. ("Borrowers") entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$79,800) is due on August 29, 2024. Commencing March 7, 2024, the Company is required to make weekly payments of \$11,146 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated March 1, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables.

On May 9, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$84,000) is due on November 22, 2024. Commencing May 17, 2024, the Company is required to make weekly payments of \$10,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated May 9, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables.

On July 25, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$84,000) is due on January 31, 2025. Commencing August 2, 2024, the Company is required to make weekly payments of \$10,889 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated July 25, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables.

On January 28, 2025, the Company entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$420,000 which principal and interest (of \$176,400) and has a maturity date of August 15, 2025. Commencing February 7, 2025, the Company is required to make weekly payments of \$21,300 until the maturity date. The loan may be prepaid subject to a prepayment fee. Administrative agent fee of \$20,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated January 28, 2025, in the principal amount of \$420,000 which note is secured by all of the Borrowers' assets, including receivables.

1800 Diagonal Notes

On April 16, 2024, pursuant to a securities purchase agreement, the Company issued to 1800 Diagonal Lending LLC, a Virginia limited liability company ("Diagonal") a convertible promissory note in the principal amount of \$138,000 with an original issue discount of \$23,000 (the "April Diagonal Note"). The April Diagonal Note has a one-time interest payment of \$26,220 paid upon issuance and a maturity date of January 15, 2025. The proceeds from the sale of the April Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the April Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the note into shares of the Company's common stock at a conversion price of 61% of the market price as described in the First Diagonal Note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the First Diagonal Note. During the year ended December 31, 2024, the Company made principal payments on the loan totaling \$138,000 and interest payments of \$26,220. The outstanding balance on the loan was \$0 as of December 31, 2024.

On September 9, 2024, pursuant to a securities purchase agreement, the Company issued a convertible promissory note in the principal amount of \$179,400 with an original issue discount of \$23,400 (the "September Diagonal Note"). The September Diagonal Note has a one-time interest payment of \$23,322 paid upon issuance and a maturity date of June 15, 2025. The proceeds from the September Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the September Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The September Diagonal Note has an initial payment of \$131,769 due on March 15, 2025, with monthly payments of \$23,651 due on the 15th of every month thereafter until June 15, 2025.

On October 1, 2024, pursuant to a securities purchase agreement, the Company issued to Diagonal a convertible promissory note in the principal amount of \$121,900 with an original issue discount of \$15,900 (the "October Diagonal Note"). The October Diagonal Note has a one-time interest payment of \$14,628 paid upon issuance and a maturity date of June 30, 2025. The proceeds from the sale of the October Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the October Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The October Diagonal Note has mandatory monthly payments of \$15,170 beginning on October 30, 2024, and due on the 30th of every month thereafter until February 28, 2025.

On December 16, 2024, pursuant to a securities purchase agreement, the Company issued to Diagonal a convertible promissory note in the principal amount of \$90,850 with an original issue discount of \$11,850 (the "December Diagonal Note"). The December Diagonal Note has a one-time interest payment of \$10,902 paid upon issuance and a maturity date of September 15, 2025. Upon the occurrence of an event of default as described in the December Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The December Diagonal Note has mandatory monthly payments of \$11,306 beginning on January 15, 2025, and due on the 15th of every month thereafter until September 15, 2025.

On January 28, 2025, pursuant to a securities purchase agreement, the Company issued to Diagonal a convertible promissory note in the principal amount of \$149,650 with an original issue discount of \$19,650 (the "January Diagonal Note"). The January Diagonal Note has a one-time interest payment of \$19,454 paid upon issuance and a maturity date of October 30, 2025. Upon the occurrence of an event of default as described in the January Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The January Diagonal Note has an initial payment of \$109,918 due on July 30, 2025, with monthly payments of \$19,728 due on the 30th of every month thereafter until October 30, 2025.

The Hart Note

On April 16, 2024, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Hart Associates, LLC, a Delaware limited liability company (the "Hart"), pursuant to which the Company issued a promissory note in the principal amount of \$300,000 and will issue 10,000 shares of its common stock to Hart (the "Hart Note"). The Hart Note has a one-time interest payment of \$50,000 payable on the maturity date of May 15, 2024, which was extended to August 15, 2024. The proceeds from the sale of the Hart Note are for general working capital. The Company may prepay the Hart Note at any time without penalty. The Company's failure to comply with the material terms of the Hart Note will be considered an event of default and the principal sum of the Hart Note will increase by 20% of the outstanding balance for each subsequent 30 days it remains in default.

The FirstFire Note

On May 17, 2024, the Company entered into a promissory note with FirstFire Global Opportunities Fund, LLC, a Delaware limited liability company (the "FirstFire"), pursuant to which the Company issued a promissory note in the principal amount of \$240,000 with an original discount of \$40,000 (the "FirstFire Note"). The FirstFire Note accrues interest at a rate of 19% per annum and has a maturity date of April 17, 2025. The proceeds from the sale of the FirstFire Note are for general corporate purposes. The FirstFire Note has mandatory monthly payments due the 17th of each month. The initial payment on August 17, 2024 is \$185,600. Monthly payments from September 2024 – December 2024 are \$22,000. Monthly payments from January 2025 - April 2025 are \$3,000. The Company may prepay the FirstFire Note at any time without penalty. The Company's failure to comply with the material terms of the FirstFire Note will be considered an event of default and the principal sum of the FirstFire Note will become immediately due and payable at an amount equal to 150% times the sum of (i) the then outstanding principal amount of the note plus (ii) accrued and unpaid interest on the unpaid principal amount of the note to the date of payment plus (iii) default interest, (iv) plus any other amounts owed to FirstFire. After the occurrence of an event of default, at any time, the FirstFire shall have the right, to convert all or any part of the outstanding and unpaid amount of the FirstFire Note into fully paid and non-assessable shares of our common stock. The conversion price shall be 61% multiplied by the Market Price (as defined in the FirstFire Note) (representing a discount rate of 39%). While the FirstFire Note remains outstanding, we will reserve 40,000 shares of our common stock free from preemptive rights, to provide for the issuance upon the full conversion of the FirstFire Note. While the FirstFire Note remains outstanding, we shall not, without the FirstFire's written consent, sell, lease, or otherwise dispose of any significant portion of our assets outside the ordinary course of business.

August 2024 Private Placement Offering

In August, 2024, the Company entered into securities purchase agreements (each a "Securities Purchase Agreement") with each of Quick Capital, LLC, a Wyoming limited liability company ("Quick Capital") and Jefferson Street Capital, LLC a New Jersey limited liability company ("Jefferson") whereby it will issue promissory notes in the aggregate principal amount of \$550,000 (the "August Private Placement Offering").

The Company agreed to issue to each of Quick Capital and Jefferson up to 19,650 shares of our common stock as a "Commitment Fee"

As part of the August Private Placement Offering, the Company issued two promissory notes each in the principal amount of \$275,000 with an original issue discount of \$25,000 (the "Private Placement Notes"). The Private Placement Notes have a one-time interest payment of \$27,500. Thereafter, any principal amount of interest which is not paid upon maturity will accrue at a rate of the lesser of (i) sixteen percent (16%) per annum and (ii) the maximum amount permitted by law from the due date thereof until the same is paid. The Private Placement Notes have a maturity date of 10 months after issuance and the proceeds from the notes are for general corporate purposes. The Company agreed to issue to each of Quick Capital and Jefferson 19,650 shares of common stock as additional consideration for entering into Private Placement Notes.

The investors have the right, at any time on or following the earlier of (i) the date that any of the shares are registered for resale under a registration statement of the Company or (ii) the date that is six (6) months after the issue date, to convert all or any portion of the then outstanding and unpaid principal and interest into fully paid and non-assessable shares of our common stock. The conversion price shall be \$1.50, subject to adjustments. We have agreed to reserve a sufficient number of common stock (initially, 2,000,000 shares) for issuance upon conversion of the Private Placement Notes in accordance with their terms.

The Company may prepay the Private Placement Notes at any time with fifteen (15) trading days prior written notice (the "Prepayment Notice Period"). During the Prepayment Notice Period, the investor shall have the right to convert all or any portion of the Private Placement Notes pursuant to the terms of the note, including the amount of the Private Placement Notes to be prepaid. If the Company exercises its right to prepay the notes in accordance with their terms, the Company shall make payment to the investor of an amount in cash equal to the sum of: (i) 100% multiplied by the principal amount then outstanding plus (ii) accrued and unpaid interest on the principal amount to the prepayment notice date, and (iii) \$750 to reimburse the investor for administrative fees.

If the Company delivers a prepayment notice and fails to pay the applicable prepayment amount, the Company shall forever forfeit its right to prepay any part of the Private Placement Notes.

The Private Placement Notes have mandatory monthly payments of \$43,200. The initial payments are due on November 9, 2024 and November 12, 2024, respectively.

The Company's failure to comply with the material terms of the Private Placement Notes will be considered an event of default and the principal sum of the Private Placement Notes will become immediately due and payable at an amount equal to the principal amount then outstanding plus accrued interest (including any default interest) through the date of full repayment multiplied by 135%, as well as all costs, all without demand, presentment or

notice, unless expressly waived by the investor.

The investor may assign its rights to any “accredited investor” (as defined in Rule 501(a) of the 1933 Act) in a private transaction from Quick Capital or to any of its affiliates without the consent of the Company.

While the Private Placement Notes remain outstanding, we shall not, without the investor's written consent (i) (a) pay, declare or set apart for such payment, any dividend or other distribution on shares of capital stock other than dividends on shares of common stock solely in the form of additional shares of common stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Company's disinterested directors, (ii) redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Company or any warrants, rights or options to purchase or acquire any such shares, or repay any indebtedness of Quick Capital, (iii) advance any loans made in the ordinary course of business in excess of \$100,000, (iv) sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business, and (v) enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant to, in whole or in part, either Section 3(a)(9) or Section 3(a)(10) of the Securities Act.

In conjunction with the August Private Placement Offering, the Company entered into a registration rights agreement (each a “Registration Rights Agreement”) with each of Quick Capital and Jefferson. The Company agreed to file a registration statement with the Securities and Exchange Commission to register the re-sale of the maximum number of shares of common stock covered in the August Private Placement Offering within sixty (60) calendar days from the date of execution.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The notes to the consolidated financial statements contained in this Annual Report describe our accounting policies used in the preparation of the consolidated financial statements. None of those policies are deemed to be critical accounting policies nor critical accounting estimates. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. We continually evaluate our critical accounting policies and estimates.

Recent Accounting Pronouncements

ASU 2023-07 – Segment Reporting (Topic 280)

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU enhances existing segment reporting requirements by requiring public entities to disclose more detailed information about a reportable segment's expenses. Specifically, it introduces a new requirement to disclose significant segment expense categories and amounts that are regularly provided to the chief operating decision maker (“CODM”) and included in the reported measure of segment profit or loss. The ASU also extends certain annual segment disclosures to interim periods and clarifies that public entities with a single reportable segment must apply all existing and new segment disclosure requirements. The amendments in ASU 2023-07 are effective for public business entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this standard for the year ended December 31, 2024 on a retrospective basis.

The Company's business consists of one operating segment, which is also its one reportable segment. The Company derives revenues by providing sales of primarily seafood products to customers. The Company's CODM is its chief executive officer, who reviews financial information presented on a consolidated basis. The CODM reviews total assets in the consolidated balance sheets and net loss and its components in the consolidated statements of operations such as, cost of goods sold and other operating expenses, to assess financial performance and allocate resources.

ASU 2023-09 – Income Taxes (Topic 740)

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU aims to enhance the transparency and usefulness of income tax disclosures by requiring public business entities to provide more disaggregated information in the effective tax rate reconciliation and for income taxes paid. Key provisions include a requirement for tabular reconciliation using both percentages and amounts, broken out into specific categories, with certain reconciling items at or above a 5% quantitative threshold further disaggregated by nature and/or jurisdiction. Additionally, the ASU requires disclosure of income taxes paid (net of refunds received), disaggregated by federal, state/local, and foreign jurisdictions, and amounts paid to individual jurisdictions that comprise 5% or more of total income taxes paid. The ASU also eliminates certain existing disclosure requirements related to unrecognized tax benefits and cumulative unrecognized deferred tax liabilities. For public business entities, the amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures. The Company does not expect this adoption to have a material impact on its consolidated financial statements.

ASU 2024-03 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires public business entities to disclose more detailed information about certain costs and expenses in the notes to their financial statements, both in annual and interim filings. The objective is to provide investors with greater transparency into a company's expense structure, enabling a better understanding of performance, assessment of future cash flows, and comparison with other entities. Key provisions include the disaggregation, in a tabular format, of specific natural expense categories such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization, within each relevant expense caption on the income statement. The ASU also requires disclosure of the total amount of selling expenses and a qualitative description of expenses remaining in the “other” category. For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of adopting this ASU on its financial statements and disclosures.

Reverse Stock Split

On May 7, 2024, the Company's board of directors approved, and on April 30, 2024, at a special meeting of the stockholders, holders of approximately 62.9% of the Company's voting power, approved the granting of authority to the Board to amend the Company's Certificate of Incorporation to effect a reverse stock split of the issued and outstanding shares of the Company's common stock, by a ratio of not less than 1-for-2 and not more than 1-for-50, with the exact ratio to be determined by the Board in its sole discretion.

The Board determined to effectuate a 1:50 reverse stock split (the "Reverse Stock Split") and on May 20, 2024 the Company amended its Certificate of Incorporation to effect the Reverse Stock Split. All shares and per share amounts in the financial statements have been retrospectively adjusted for all periods presented to reflect the Reverse Stock Split.

Off Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this Item.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Blue Star Foods Corp. Index to Audited Financial Statements

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Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2024 and 2023	F-3
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Blue Star Foods Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Blue Star Foods Corp. and its subsidiaries (collectively, the "Company") as of December 31, 2024 and 2023 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ MaloneBailey, LLP
www.malonebailey.com

We have served as the Company's auditor since 2014.
Houston, Texas
June 20, 2025

Blue Star Foods Corp.
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2024	DECEMBER 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 326,854	\$ 24,163
Accounts receivable, net of allowances and credit losses of \$ 39,026 and \$31,064	349,641	534,195
Inventory, net	447,760	2,608,521
Advances to related party, net	-	95,525
Other current assets	1,109,494	833,472
Total Current Assets	2,233,749	4,095,876
RELATED PARTY LONG-TERM RECEIVABLE, NET	-	435,545
FIXED ASSETS, NET	122,860	303,857
RIGHT OF USE ASSET	84,145	125,014
ADVANCES TO RELATED PARTY, NET	-	1,299,984
OTHER ASSETS	113,845	102,222
TOTAL ASSETS	\$ 2,554,599	\$ 6,362,498
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accruals	\$ 982,243	\$ 661,377
Customer refunds	56,899	189,975
Deferred income	-	47,819
Current maturities of lease liabilities	35,688	35,428
Current maturities of related party long-term notes	-	100,000
Loan payable	729,698	156,938
Related party notes payable - subordinated	-	165,620
Derivative liability	49,565	1,047,049
Warrants liability	-	1,574
Other current liabilities	790,881	790,881
Total Current Liabilities	2,644,974	3,196,661
LONG-TERM LIABILITIES		
Lease liability, net of current portion	48,457	89,586
Debt, net of current portion and discounts	52,865	481,329
TOTAL LIABILITIES	2,746,296	3,767,576
STOCKHOLDERS' EQUITY		
Series A 8% cumulative convertible preferred stock, \$0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding as of December 31, 2024, and 0 shares issued and outstanding as of December 31, 2023	-	-
Common stock, \$0.0001 par value, 100,000,000 shares authorized; 9,837,374 shares issued and outstanding as of December 31, 2024, and 461,722 shares issued and outstanding as of December 31, 2023	974	46
Additional paid-in capital	46,167,697	36,661,926
Accumulated other comprehensive loss	5,174	(179,995)
Accumulated deficit	(46,289,219)	(33,810,732)
Treasury stock, 151 shares as of December 31, 2024 and 151 shares as of December 31, 2023	(76,323)	(76,323)
TOTAL STOCKHOLDERS' EQUITY	(191,697)	2,594,922
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,554,599	\$ 6,362,498

The accompanying notes are an integral part of these audited consolidated financial statements

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Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended December 31 2024	2023
REVENUE, NET	\$ 3,593,881	\$ 6,124,529
COST OF REVENUE	4,882,871	5,966,452
GROSS PROFIT (LOSS)	(1,288,990)	158,077
COMMISSIONS	4,490	2,169
SALARIES AND WAGES	1,668,585	1,858,004
DEPRECIATION AND AMORTIZATION	5,866	4,521
OTHER OPERATING EXPENSES	7,147,468	2,525,661
LOSS FROM OPERATIONS	(10,115,399)	(4,232,278)
OTHER INCOME	51,926	12,708
CHANGE IN FAIR VALUE OF DERIVATIVE AND WARRANT LIABILITIES	(354,296)	2,497,088
LOSS ON SETTLEMENT OF DEBT	-	(977,188)
INTEREST EXPENSE	(2,060,718)	(1,771,942)
NET LOSS	(12,478,487)	(4,471,612)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (12,478,487)	\$ (4,471,612)

COMPREHENSIVE LOSS:

CHANGE IN FOREIGN CURRENCY TRANSLATION ADJUSTMENT	185,169	55,858
COMPREHENSIVE LOSS	(12,293,318)	(4,415,754)
Loss per common share:		
Net loss per common share - basic and diluted	\$ (4.15)	\$ (43.99)
Weighted average common shares outstanding - basic and diluted	3,005,923	101,650

The accompanying notes are an integral part of these audited consolidated financial statements

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Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2024 AND 2023

	Series A Preferred Stock \$.0001 par value		Common Stock \$.0001 par value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholder's Equity
	Shares	Amount	Shares	Amount					
December 31, 2022	-	\$ -	26,766	\$ 2	\$28,329,248	\$(29,339,120)	\$ (235,853)	\$ -	\$ (1,245,723)
Stock based compensation	-	-	-	-	69,125	-	-	-	69,125
Common stock issued for service	-	-	41,574	4	477,059	-	-	-	477,063
Common stock issued for note payment	-	-	27,584	3	3,053,085	-	-	-	3,053,088
Common stock issued for cash and exercise of warrants	-	-	251,909	26	3,913,420	-	-	-	3,913,446
Common stock issued to settle related party notes payable	-	-	34,722	3	249,997	-	-	-	250,000
Common stock issued to settle subordinated related party note	-	-	79,167	8	569,992	-	-	-	570,000
Treasury Stock	-	-	-	-	-	-	-	(76,323)	(76,323)
Net Loss	-	-	-	-	-	(4,471,612)	-	-	(4,471,612)
Cumulative translation adjustment	-	-	-	-	-	-	55,858	-	55,858
December 31, 2023	-	-	461,722	46	36,661,926	(33,810,732)	(179,995)	(76,323)	2,594,922
Stock based compensation	-	-	-	-	2,986	-	-	-	2,986
Common stock issued for service	-	-	468,118	34	301,966	-	-	-	302,000
Common stock issued for note payment	-	-	2,141,310	215	2,920,984	-	-	-	2,921,199
Common stock issued for cash	-	-	6,709,832	673	6,160,953	-	-	-	6,161,626
Common stock issued for loan commitment fees	-	-	56,392	6	118,882	-	-	-	118,888
Net Loss	-	-	-	-	-	(12,478,487)	-	-	(12,478,487)
Cumulative translation adjustment	-	-	-	-	-	-	185,169	-	185,169
December 31, 2024	-	\$ -	9,837,374	\$ 974	\$46,167,697	\$(46,289,219)	\$ 5,174	\$(76,323)	\$ (191,697)

The accompanying notes are an integral part of these audited consolidated financial statements

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Blue Star Foods Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (12,478,487)	\$ (4,471,612)

Adjustments to reconcile net loss to net cash (used in) operating activities:		
Stock based compensation	2,986	69,125
Common stock issued for service	302,000	319,083
Write-off of fixed assets	276,867	-
Depreciation of fixed assets	5,866	4,521
Amortization of debt discounts	1,232,529	868,954
Allowance for inventory obsolescence	1,241,305	176,000
Allowance for related party advances and long-term receivable	1,807,829	-
Loss on settlement of debt	102,911	977,188
Lease expense	40,869	72,526
Credit loss expense	7,962	8,340
(Gain) loss on revaluation of fair value of derivative and warrant liabilities	354,296	(2,497,088)
Changes in operating assets and liabilities:		
Accounts receivables	176,592	270,881
Inventories	919,456	2,023,631
Advances to related parties	95,525	123,000
Other current assets	(348,322)	140,290
Right of use liability	(40,869)	(71,946)
Other assets	(35,932)	4,467
Accounts payable and accruals	321,619	(1,737,997)
Customer refunds	(133,076)	189,975
Deferred income	(47,819)	-
Net Cash (Used in) Operating Activities	(6,195,893)	(3,530,662)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(101,736)	(159,609)
Net Cash (Used in) Investing Activities	(101,736)	(159,609)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from common stock offering	6,161,626	1,799,506
Proceeds from sale of prefunded warrants	-	4,678,924
Proceeds from working capital line of credit	-	2,405,034
Proceeds from short-term loans	2,477,790	700,000
Proceeds from convertible debt	-	1,140,000
Repayments of working capital line of credit	-	(4,182,971)
Repayments of short-term loans	(1,955,924)	(623,000)
Principal payments of convertible debt	-	(2,007,435)
Repayments of related party notes payable	(265,620)	(157,380)
Purchase of treasury stock	-	(76,323)
Net Cash Provided by Financing Activities	6,417,872	3,676,355
Effect of Exchange Rate Changes on Cash	182,448	28,817
NET INCREASE IN CASH AND CASH EQUIVALENTS	302,691	14,901
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	24,163	9,262
CASH AND CASH EQUIVALENTS – END OF PERIOD	<u>\$ 326,854</u>	<u>\$ 24,163</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 624,496</u>	<u>\$ 955,483</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common stock issued to settle related party notes payable and accrued interest	-	250,000
Common stock issued for partial conversion of note payable	2,904,886	3,053,088
Common stock issued for loan commitment fees	118,888	-
Derivative liability recognized on issuance of convertible note	47,411	383,672
Warrant liability recognized on issuance of convertible note	-	453,746
Common stock issued to settle subordinated related party note	-	570,000

The accompanying notes are an integral part of these audited consolidated financial statements

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

Note 1. Company Overview

Blue Star Foods Corp., a Delaware corporation (“we”, “our”, the “Company”), is an international sustainable marine protein company based in Miami, Florida that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. The Company’s main operating business, John Keeler & Co., Inc. (“Keeler & Co.”) was incorporated in the State of Florida in May 1995. The Company has three other subsidiaries, Coastal Pride, TOBC and AFVFL, which maintain the Company’s fresh crab meat, steelhead salmon and packaged seafood and other inventory businesses, respectively. The Company’s current source of revenue is importing blue and red swimming crab meat primarily from South East Asia and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh, and steelhead salmon and rainbow trout fingerlings produced under the brand name Little Cedar Farms for distribution in Canada.

On February 3, 2022, Coastal Pride entered into an asset purchase agreement with Gault Seafood, LLC, a South Carolina limited liability company (“Gault Seafood”), and Robert J. Gault II, President of Gault Seafood (“Gault”) pursuant to which Coastal Pride acquired all of the Seller’s right, title and interest in and to assets relating to Gault Seafood’s soft-shell crab operations, including intellectual property, equipment, vehicles and other assets used in connection with the soft-shell crab business. Coastal Pride did not assume any liabilities in connection with the acquisition. The purchase price for the assets consisted of a cash payment in the amount of \$359,250 and the issuance of 8,355 shares of common stock of the Company with a fair value of \$359,250. Such shares are subject to a leak-out agreement pursuant to which Gault Seafood may not sell or otherwise transfer the shares until February

3, 2023.

On February 1, 2024, the Company entered into a ninety-day Master Services Agreement (the "Services Agreement") with Afritex Ventures, Inc. a Texas corporation ("Afrifex"), pursuant to which the Company will be responsible for all of Afrifex's operations and finance functions. The Company will provide Afrifex with working capital in order to sustain operations and will purchase certain inventory listed in the Services Agreement. In consideration for its services, during the term of the Services Agreement, the Company will earn all of the revenue and profits by the purchase and sale of Afrifex's inventory. Under the Services Agreement, Afrifex may not sell or otherwise use as consideration any of its intellectual property without the Company's consent. The Company must maintain certain commercial liability insurance during the term of the Services Agreement. The Services Agreement also provides that the Company may not solicit Afrifex employees for 24 months nor circumvent existing business relationships of Afrifex for three years, after the term of the Services Agreement. The term of the Services Agreement will automatically extend for three thirty-day periods, if Afrifex's outstanding debt is no greater than \$325,000. The Company automatically extended the Service Agreement to August 31, 2024 after which it expired. The Company incurred losses of approximately \$1.5 million from our Services Agreement with Afrifex.

In connection with the Services Agreement, on February 12, 2024, the Company entered into an Intangibles Assets and Machinery Option to Purchase Agreement with Afrifex (the "Option Agreement"). Pursuant to the Option Agreement, the Company has the option to purchase Afrifex's intangible assets, machinery and equipment set forth in the Option Agreement for a purchase price of \$554,714 for machinery and equipment and 100,000 shares of the Company's common stock were issued on February 12, 2024 to be held in escrow, for intangible assets. The Company did not exercise its option to purchase such intangible assets, machinery and equipment.

In connection with the Services Agreement, on February 1, 2024, AFVFL, a wholly-owned subsidiary of the Company, was incorporated in the State of Florida for the purpose of purchasing raw materials from Afrifex for the preparation of packaged seafood and other inventory to be sold to various customers in the United States.

On May 20, 2024, the Company amended its Certificate of Incorporation to affect a one-for-fifty reverse stock split ("Reverse Stock Split"), which became effective the same day. All share and per share amounts have been restated for all periods presented to reflect the Reverse Stock Split.

Note 2. Restatement of Previously Issued Unaudited Financial Statements

In the course of preparing our December 31, 2024 financial statements, the Company determined that it had incorrectly applied the provisions of ASC 606 in revenues recorded pursuant to our service agreement with Afrifex Texas and also incorrectly accounted certain inventory transactions and expenses related to such agreement. Specifically, the Company determined that not all of the criteria under ASC 606-10-25-1 was met to support the recognition of revenues amounting to approximately \$1.2 million for the three months ended March 31, 2024, approximately \$ 1.1 million and \$2.3 million for the three and six months ended June 30, 2024 and approximately \$0.6 million and \$3.0 million for the three and nine months ended September 30, 2024. The above also resulted to errors in the accounting of the Company's inventory and other related transactions with Afrifex. These errors resulted to misstatements that required restatement of our previously issued unaudited interim financial statements for 2024.

The following tables present the impact of the restatements, to the applicable line items in the unaudited consolidated balance sheets, unaudited consolidated statements of operations, and unaudited consolidated statements of cash flow to the Company's previously issued unaudited consolidated financial statements for the three months ended March 31, 2024, the three and six months ended June 30, 2024 and the three and nine months ended September 30, 2024. The restatements did not impact the reported amounts of net cash used in operating, investing and financing activities for the above-mentioned periods.:

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Consolidated Balance Sheet (unaudited) as of,

	March 31, 2024			June 30, 2024			September 30, 2024		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
Accounts receivable, net	\$ 910,815	\$ (490,750)	\$ 420,065	\$ 600,478	\$ (400,833)	\$ 199,645	\$ 1,316,093	\$ (994,740)	\$ 321,353
Inventory, net	2,280,480	(526,329)	1,754,151	2,638,108	(993,816)	1,644,292	2,366,056	(815,304)	1,550,752
Other current assets	1,326,011	343,599	1,669,610	2,455,069	724,095	3,179,164	1,697,407	(501,381)	1,196,026
Total current assets	4,539,604	(673,480)	3,866,124	5,766,765	(670,554)	5,096,211	5,452,253	(2,311,425)	3,140,828
Total assets	6,858,362	(673,480)	6,184,882	8,104,796	(670,554)	7,434,242	7,837,292	(2,311,425)	5,525,867
Accounts payable and accruals	1,061,169	(487,124)	574,045	839,494	(292,407)	547,087	836,849	(210,867)	625,982
Total current liabilities	3,669,807	(487,124)	3,182,683	3,232,506	(292,407)	2,940,099	2,924,403	(210,867)	2,713,536
Total liabilities	4,282,022	(487,124)	3,794,898	3,489,951	(292,407)	3,197,544	3,111,973	(210,867)	2,901,106
Accumulated deficit	(34,903,827)	(186,356)	(35,090,183)	(36,745,793)	(378,147)	(37,123,940)	(38,070,941)	(2,100,558)	(40,171,499)
Total stockholders' equity	2,576,340	(186,356)	2,389,984	4,614,845	(378,147)	4,236,698	4,725,319	(2,100,558)	2,624,761
Total liabilities and stock holders' equity	6,858,362	(673,480)	6,184,882	8,104,796	(670,554)	7,434,242	7,837,292	(2,311,425)	5,525,867

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Consolidated Statements of Operations and Comprehensive loss (unaudited) as of,

	Three Months Ended March 31		
	As Previously Reported	Adjustments	As Restated
Revenue, net	\$ 2,260,329	\$ (1,200,974)	\$ 1,059,355
Cost of revenue	2,089,567	(990,578)	1,098,989
Gross profit	170,762	(210,396)	(39,634)
Other Operating Expenses	705,651	(24,040)	681,611
Loss from operations	(842,199)	(186,356)	(1,028,555)
Net loss	(1,093,095)	(186,356)	(1,279,451)
Net loss attributable to common stockholders	(1,093,095)	(186,356)	(1,279,451)
Comprehensive loss	(1,015,062)	(186,356)	(1,201,418)
Net loss per common share - basic and diluted	(2.07)	(0.35)	(2.42)

Consolidated Statements of Operations and Comprehensive loss (unaudited) as of,

	Three months ended June 30, 2024			Six months ended June 30, 2024		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
Revenue, net	\$ 1,776,558	\$ (1,141,540)	\$ 635,018	\$ 4,036,887	\$ (2,342,514)	\$ 1,694,373
Cost of revenue	1,482,041	(894,525)	587,516	3,571,608	(1,885,103)	1,686,505
Gross profit	294,517	(247,015)	47,502	465,279	(457,411)	7,868
Other operating expenses	689,414	(55,224)	634,190	1,395,065	(79,264)	1,315,801
Loss from operations	(691,723)	(191,790)	(883,513)	(1,533,922)	(378,147)	(1,912,069)
Net loss	(1,841,967)	(191,790)	(2,033,757)	(2,935,062)	(378,147)	(3,313,209)
Net loss attributable to common shareholders	(1,841,967)	(191,790)	(2,033,757)	(2,935,062)	(378,147)	(3,313,209)
Comprehensive loss	(1,823,178)	(191,790)	(2,014,968)	(2,838,240)	(378,147)	(3,216,387)
Net loss per common share - basic and diluted	(1.52)	(0.16)	(1.68)	(3.39)	(0.44)	(3.82)

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Consolidated Statements of Operations and Comprehensive loss (unaudited) as of,

	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
Revenue, net	\$ 884,283	\$ (624,504)	\$ 259,779	\$ 4,921,170	\$ (2,967,018)	\$ 1,954,152
Cost of revenue	887,850	(336,734)	551,116	4,459,458	(2,221,838)	2,237,620
Gross profit (loss)	(3,567)	(287,770)	(291,337)	461,712	(745,180)	(283,468)
Commissions	11,429	(11,429)	-	15,650	(11,429)	4,221
Other operating expenses	631,722	1,446,071	2,077,793	2,026,787	1,366,807	3,393,594
Loss from operations	(919,795)	(1,722,412)	(2,642,207)	(2,453,717)	(2,100,558)	(4,554,275)
Net loss	(1,325,147)	(1,722,412)	(3,047,559)	(4,260,209)	(2,100,558)	(6,360,767)
Net loss attributable to common shareholders	(1,325,147)	(1,722,412)	(3,047,559)	(4,260,209)	(2,100,558)	(6,360,767)
Comprehensive loss	(1,343,145)	(1,722,412)	(3,065,557)	(4,181,385)	(2,100,558)	(6,281,943)
Net loss per common share - basis and diluted	(0.48)	(0.63)	(1.11)	(2.84)	(1.40)	(4.24)

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Consolidated Statements of Cash Flows (unaudited) as of,

	Three Months Ended March 31, 2024			Six Months Ended June 30, 2024			Nine Months Ended September 30, 2024		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
Net Loss	\$ (1,093,095)	\$ (186,356)	\$ (1,279,451)	\$ (2,935,062)	\$ (378,147)	\$ (3,313,209)	\$ (4,260,209)	\$ (2,100,558)	\$ (6,360,767)
Credit loss expense	4,051	4,051	-	-	-	-	35,096	35,096	-
Accounts receivables	(380,671)	(494,801)	114,130	(66,283)	(400,833)	334,550	(816,994)	(1,029,836)	212,842
Inventories	167,992	(526,329)	694,321	(400,510)	(993,816)	593,306	(472,435)	(815,304)	342,869
Other current assets	(102,539)	343,599	(446,138)	(799,947)	724,095	(1,524,042)	(863,936)	(501,381)	(362,556)
Accounts payable and accruals	388,691	487,124	(98,433)	130,298	292,407	(162,109)	127,653	210,867	(83,214)

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Note 3. Summary of Significant Accounting Policies*Basis of Presentation*

The accompanying financial statements of the Company were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, Keeler & Co, Inc. a wholly owned subsidiary, Coastal Pride Seafood, LLC ("Coastal Pride"), a wholly owned subsidiary of Keeler & Co., Inc., Taste of BC Aquafarms, Inc. ("TOBC"), a wholly owned subsidiary, and Afritex Ventures Inc. ("AFVFL") a wholly owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Long-lived Assets

Management reviews long-lived assets, including finite-lived intangible assets, for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Cash flows expected to be generated by the related assets are estimated over the asset's useful life on an undiscounted basis. If the evaluation indicates that the carrying value of the asset may not be recoverable, the potential impairment is measured using fair value. Fair value estimates are completed using a discounted cash flow analysis. Impairment losses for assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal. No impairment was recognized for the year ended December 31, 2024 and December 31, 2023.

Cash and Cash Equivalents

The Company maintains cash balances with financial institutions in excess of Federal Deposit Insurance Company ("FDIC") insured limits. The Company has not experienced any losses on such accounts and believes it does not have a significant exposure.

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2024 and 2023, the Company had no cash equivalents.

The Company considers any cash balance in the lender designated cash collateral account as restricted cash. All cash proceeds must be deposited into the cash collateral account, and will be cleared and applied to the line of credit. The Company has no access to this account, and the purpose of the funds is restricted to repayment of the line of credit.

Accounts Receivable

Accounts receivable consists of unsecured obligations due from customers under normal trade terms, usually net 30 days. The Company grants credit to its customers based on the Company's evaluation of a particular customer's credit worthiness.

Allowances for doubtful accounts are maintained for potential credit losses based on the age of the accounts receivable and the results of the Company's periodic credit evaluations of its customers' financial condition. Receivables are written off as uncollectible and deducted from the allowance for doubtful accounts after collection efforts have been deemed to be unsuccessful. Subsequent recoveries are netted against the provision for doubtful accounts expense. The Company generally does not charge interest on receivables.

Receivables are net of estimated allowances for doubtful accounts and sales return, allowances and discounts. They are stated at estimated net realizable value. As of December 31, 2024, and 2023, the Company recorded sales return, allowances, discounts and refund liability of approximately \$39,000 and \$265,700, respectively. There was no allowance for bad debt recorded during the years ended December 31, 2024 and 2023.

Inventories

Substantially all of the Company's inventory consists of packaged crab meat located at a public cold storage facility and merchandise in transit from suppliers. The Company also has eggs and fish in process inventory from TOBC. The cost of inventory is primarily determined using the specific identification method for crab meat. Fish in process inventory is measured based on the estimated biomass of fish on hand. The Company has established a standard procedure to estimate the biomass of fish on hand using counting and sampling techniques. Inventory is valued at the lower of cost or net realizable value, cost being determined using the first-in, first-out method for crab meat and using various estimates and assumptions in regard to the calculation of the biomass, including expected yield, market value of the biomass, and estimated costs of completion.

Merchandise is purchased cost and freight shipping point and becomes the Company's asset and liability upon leaving the suppliers' warehouse.

The Company periodically reviews the value of items in inventory and records an allowance to reduce the carrying value of inventory to the lower of cost or net realizable value based on its assessment of market conditions, inventory turnover and current stock levels. Inventory write-downs are charged to cost of goods sold. For the year ended December 31, 2024, the Company recorded an inventory adjustment to reduce the carrying value of inventory to the lower of cost or net realizable value in the amount of \$286,319 which was charged to cost of goods sold and an inventory allowance of \$ 1,417,305.

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The Company's inventory as of December 31, 2024 and December 31, 2023 consists of:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Inventory purchased for resale	\$ 1,644,085	\$ 1,708,311
Feeds and eggs processed	65,924	102,373
Raw materials for packaged seafood	155,056	
In-transit inventory	-	973,837
Less: Inventory allowance	(1,417,305)	(176,000)
Inventory, net	<u>\$ 447,760</u>	<u>\$ 2,608,521</u>

Advances to Suppliers and Related Party

In the normal course of business, the Company may advance payments to its suppliers, including Bacolod, a related party. These advances are in the form of prepayments for products that will ship within a short window of time. In the event that it becomes necessary for the Company to return products or adjust for quality issues, the Company is issued a credit by the vendor in the normal course of business and these credits are also reflected against future shipments.

As of December 31, 2023, the balance due from Bacolod for future shipments was approximately \$ 1,300,000. During the year ended December 31, 2024, the Company determined it was appropriate to record an allowance for the full balance due from Bacolod. No new purchases have been made from Bacolod since November 2020. There was no cost of revenue related to inventories purchased from Bacolod recorded for the years ended December 31, 2024 and 2023.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and are being depreciated using the straight-line method over the estimated useful life of the asset as follows:

RAS System	10 years
Furniture and fixtures	7 to 10 years
Computer equipment	5 years
Warehouse and refrigeration equipment	10 years
Leasehold improvements	7 years
Automobile	5 years
Trade show booth	7 years

The RAS system is comprised of tanks, plumbing, pumps, controls, hatchery, tools and other equipment all working together for the TOBC facility.

Leasehold improvements are amortized using the straight-line method over the shorter of the expected life of the improvement or the remaining lease term.

The Company capitalizes expenditures for major improvements and additions and expenses those items which do not improve or extend the useful life of

the fixed assets.

The Company reviews fixed assets for recoverability if events or changes in circumstances indicate the assets may be impaired. No impairment was recorded related to fixed assets as of December 31, 2024 and 2023.

Other Comprehensive (loss) Income

The Company reports its comprehensive (loss) income in accordance with ASC 220, *Comprehensive Income*, which establishes standards for reporting and presenting comprehensive (loss) income and its components in a full set of financial statements. Other comprehensive (loss) income consists of net income (loss) and cumulative foreign currency translation adjustments.

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Foreign Currency Translation

The Company manages its exposure to fluctuations in foreign currency exchange rates through its normal operating activities. Its primary focus is to monitor exposure to, and manage, the economic foreign currency exchange risks faced by, its operations and realized when the Company exchanges one currency for another. The Company's operations primarily utilize the U.S. dollar and Canadian dollar as its functional currencies. Movements in foreign currency exchange rates affect its financial statements.

The assets and liabilities held by TOBC have a functional currency other than the U.S. Dollar. The TOBC results were translated into U.S. Dollars at exchange rates in effect at the end of each reporting period. TOBC's revenue and expenses were translated into U.S. Dollars at the average rates that prevailed during the period. The rate used in the financial statements for TOBC as presented for December 31, 2024 was 0.70 Canadian Dollars to U.S. Dollars and for December 31, 2023 was 0.74 Canadian Dollars to U.S. Dollars. The resulting net translation gains and losses are reported as foreign currency translation adjustments in stockholders' equity as a component of comprehensive (loss) income. The Company recorded foreign currency translation adjustment of approximately \$185,169 and \$55,900 for the years ended December 31, 2024 and December 31, 2023, respectively.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, as such, we record revenue when our customer obtains control of the promised goods or services in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company's source of revenue is from importing blue and red swimming crab meat primarily from India, Brazil, Indonesia, and Peru and distributing it in the United States and Canada under several brand names such as Blue Star, Oceanica, Pacifika, Crab & Go, First Choice, Good Stuff and Coastal Pride Fresh and steelhead salmon and rainbow trout fingerlings produced by TOBC under the brand name Little Cedar Farms for distribution in Canada. We sell primarily to food service distributors. The Company also sells its products to wholesalers, retail establishments and seafood distributors.

To determine revenue recognition for the arrangements that the Company determines are within the scope of Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer by receipt of purchase orders and confirmations sent by the Company which includes a required line of credit approval process, (2) identify the performance obligations in the contract which includes shipment of goods to the customer at FOB shipping point or destination, (3) determine the transaction price which initiates with the purchase order received from the customer and confirmation sent by the Company and will include discounts and allowances by customer if any, (4) allocate the transaction price to the performance obligations in the contract which is the shipment of the goods to the customer and transaction price determined in step 3 above and (5) recognize revenue when (or as) the entity satisfies a performance obligation which is when the Company transfers control of the goods to the customers by shipment or delivery of the products.

The Company elected an accounting policy to treat shipping and handling activities as fulfillment activities. Consideration payable to a customer is recorded as a reduction of the arrangement's transaction price, thereby reducing the amount of revenue recognized, unless the payment is for distinct goods or services received from the customer.

Deferred Income

The Company recognizes deferred income for advance payments received from customers for which sales have not yet occurred.

Lease Accounting

The Company accounts for its leases under ASC 842, *Leases*, which requires all leases to be reported on the balance sheet as right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

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The Company categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that would allow the Company to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in property and equipment, net. All other leases are categorized as operating leases. The Company did not have any finance leases as of December 31, 2023. The Company's leases generally have terms that range from three years for equipment and six to seven years for real property. The Company elected the accounting policy to include both the lease and non-lease components of its agreements as a single component and accounts for them as a lease.

Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on similarly secured borrowings available to us. Lease assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations. Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the lease term.

When the Company has the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that the Company will exercise the option, it considers these options in determining the classification and measurement of the lease. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

The table below presents the lease-related assets and liabilities recorded on the balance sheet as of December 31, 2024.

	December 31, 2024
Assets	
Operating lease assets	\$ 84,145

Liabilities	
Current	\$ 35,688
Operating lease liabilities	
Noncurrent	
Operating lease liabilities	\$ 48,457

Supplemental cash flow information related to leases were as follows:

	Year Ended December 31, 2024
Cash used in operating activities:	
Operating leases	\$ 40,869
ROU assets recognized in exchange for lease obligations:	
Operating leases	\$ -

The table below presents the remaining lease term and discount rates for operating leases.

	December 31, 2024
Weighted-average remaining lease term	
Operating leases	2.25 years
Weighted-average discount rate	
Operating leases	7.3%

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Maturities of lease liabilities as of December 31, 2024, were as follows:

	Operating Leases
2025	41,756
2026	41,756
2027	10,439
2028	-
Total lease payments	\$ 93,951
Less: amount of lease payments representing interest	(9,806)
Present value of future minimum lease payments	\$ 84,145
Less: current obligations under leases	\$ (35,688)
Non-current obligations	\$ 48,457

Advertising

The Company expenses the costs of advertising as incurred. Advertising expenses which are included in Other Operating Expenses were approximately \$13,000 and \$4,500, for the years ended December 31, 2024 and 2023, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Customer Concentration

The Company had five customers which accounted for approximately 48% of revenue during the year ended December 31, 2024. Two customer accounted for 31% of revenue during the year ended December 31, 2024.

The Company had sixteen customers which accounted for approximately 52% of revenue during the year ended December 31, 2023. Two customers accounted for 22% of revenue during the year ended December 31, 2023.

The loss of any major customer could have a material adverse impact on the Company's results of operations, cash flows and financial position.

Supplier Concentration

The Company had four major suppliers located in India, Brazil, Peru, and Indonesia which accounted for approximately 61% of the Company's total purchases during the year ended December 31, 2024. The Company's largest supplier is located in India and accounted for 20% of the Company's total purchases in the year ended December 31, 2024.

The Company had four major suppliers located in the United States, Canada and China which accounted for approximately 82% of the Company's total purchases during the year ended December 31, 2023. The Company's largest supplier is located in Miami and accounted for 35% of the Company's total purchases in the year ended December 31, 2023.

The loss of any major supplier could have a material adverse impact on the Company's results of operations, cash flows and financial position.

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Fair Value Measurements and Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company's financial instruments include cash, accounts receivable, accounts payable, accrued expenses, debt obligations, derivative liabilities and warrant liabilities. The Company believes the carrying values of cash, accounts receivable, accounts payable and accrued expenses approximate their fair values because they are short term in nature or payable on demand. The derivative liability is the embedded conversion feature on the 2023 Lind convertible note. All derivatives and warrant liabilities are recorded at fair value. The change in fair value for derivatives and warrants liabilities is recognized in earnings. The Company's derivative and warrant liabilities are measured at fair value on a recurring basis as of December 31, 2024 and 2023.

December 31, 2024				
Fair Value Measurement using Fair Value Hierarchy				
	Fair Value	Level 1	Level 2	Level 3
Liabilities				
Derivative liability on convertible debt	\$ 49,565	\$ -	\$ -	\$ 49,565
Total	\$ 49,565	\$ -	\$ -	\$ 49,565

December 31, 2023				
Fair Value Measurement using Fair Value Hierarchy				
	Fair Value	Level 1	Level 2	Level 3
Liabilities				
Derivative liability on convertible debt	\$ 1,047,049	\$ -	\$ -	\$ 1,047,049
Warrant liability	1,574	-	-	1,574
Total	\$ 1,048,623	\$ -	\$ -	\$ 1,048,623

The table below presents the change in the fair value of the derivative liability convertible debt and warrant liability for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Derivative liability balance, beginning of year	\$ 1,047,049	\$ -
Issuance of derivative liability during the period	47,410	383,672
Settlement of derivative liability	(1,384,450)	-
Change in derivative liability during the period	339,556	663,377
Derivative liability balance, end of year	\$ 49,565	\$ 1,047,049

Warrant liability balance, beginning of year	\$ 1,574	\$ -
Issuance of warrant liability during the period	-	5,032,025
Settlement of warrant liability	-	(1,869,986)
Change in warrant liability during the period	(1,574)	(3,160,465)
Warrant liability balance, end of year	\$ -	\$ 1,574

The fair market value of all derivatives and warrant liability as of December 31, 2023 was determined using the Black-Scholes option pricing model which used the following assumptions:

Stock price	\$ 7.00
Expected dividend yield	0.00%
Expected stock price volatility	133.54%
Risk-free interest rate	4.79%
Expected term	1.50 years

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The fair market value of all derivatives and warrant liability as of December 31, 2024 was determined using the Black-Scholes option pricing model which used the following assumptions:

Stock price	\$ 0.13
Expected dividend yield	0.00%
Expected stock price volatility	189.14%
Risk-free interest rate	4.32%
Expected term	0.58 years

Earnings or Loss per Share

The Company accounts for earnings per share pursuant to ASC 260, Earnings per Share, which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share are computed by dividing net income (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive) related to stock options, warrants and convertible notes for each year. For the years ended December 31, 2024 and 2023, the following common stock equivalents were excluded from the calculation of diluted earnings per share as their impact would be anti-dilutive due to the Company's net loss.

Year ended December 31, 2024	Year ended December 31, 2023
------------------------------------	------------------------------------

Options	\$	4,935	\$	6,331
Warrants		12,205		14,619
Convertible Notes		641,026		234,170
Total	\$	<u>658,166</u>	\$	<u>255,120</u>

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation-Stock Compensation". ASC 718 requires companies to measure the cost of services received in exchange for an award of equity instruments, including stock options, based on the grant-date fair value of the award and to recognize it as compensation expense over the period the individual is required to provide service in exchange for the award, usually the vesting period. The Company accounts for forfeitures as they occur.

Related Parties

The Company accounts for related party transactions in accordance with ASC 850 ("Related Party Disclosures"). A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

As of December 31, 2024, and 2023, there was approximately \$ 8,300 and \$83,000, respectively, in interest paid to related parties notes payable.

As of December 31, 2024, the Company had outstanding advances of \$ 72,300 to Sustainable Seafood Philippines, a related party, in connection with the planned acquisition of Bacolod's assets, which will be carried out by Sustainable Seafood Philippines. The Company recorded a full valuation allowance on these advances due to uncertainty regarding collectability.

During the year ended December 31, 2024, the Company recognized a full valuation allowance on its long-term receivable of \$ 435,540 with Strike the Gold Foods Limited ("Strike the Gold"), a related party, due to uncertainty regarding its collectability. During the year ended December 31, 2024, the Company advanced \$37,500 for shipment expenses in connection with product sold to Strike the Gold of \$ 210,354. A full valuation allowance was also recognized for the advances while the recognition of the sales was deferred until the consideration is collected.

Income Taxes

The Company accounts for income taxes utilizing the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes, using enacted statutory tax rates in effect for the year in which the differences are expected to reverse. The effects of future changes in tax laws or rates are not included in the measurement. Income tax expense is the total of the current year income tax due and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company's policy is to recognize interest and penalties on uncertain tax positions in "Income tax expense" in the Consolidated Statements of Operations. There were no amounts related to interest and penalties recognized for the years ended December 31, 2024 or 2023.

Recent Accounting Pronouncements

Segment Information

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU enhances existing segment reporting requirements by requiring public entities to disclose more detailed information about a reportable segment's expenses. Specifically, it introduces a new requirement to disclose significant segment expense categories and amounts that are regularly provided to the chief operating decision maker ("CODM") and included in the reported measure of segment profit or loss. The ASU also extends certain annual segment disclosures to interim periods and clarifies that public entities with a single reportable segment must apply all existing and new segment disclosure requirements. The amendments in ASU 2023-07 are effective for public business entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this standard effective January 1, 2024.

The Company's business consists of one operating segment, which is also its one reportable segment. The Company derives revenue by providing sales of primarily seafood products to customers. The Company's CODM is its chief executive officer who reviews financial information presented on a consolidated basis. The CODM reviews total assets in the consolidated balance sheets and net loss and its components in the consolidated statement of operations such as, cost of goods sold and other operating expenses, to assess financial performance and allocate resources.

ASU 2023-09 – Income Taxes (Topic 740)

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU aims to enhance the transparency and usefulness of income tax disclosures by requiring public business entities to provide more disaggregated information in the effective tax rate reconciliation and for income taxes paid. Key provisions include a requirement for tabular reconciliation using both percentages and amounts, broken out into specific categories, with certain reconciling items at or above a 5% quantitative threshold further disaggregated by nature and/or jurisdiction. Additionally, the ASU requires disclosure of income taxes paid (net of refunds received), disaggregated by federal, state/local, and foreign jurisdictions, and amounts paid to individual jurisdictions that comprise 5% or more of total income taxes paid. The ASU also eliminates certain existing disclosure requirements related to unrecognized tax benefits and cumulative unrecognized deferred tax liabilities. For public business entities, the amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures. The Company does not expect this adoption to have a material impact on its consolidated financial statements.

ASU 2024-03 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires public business entities to disclose more detailed information about certain costs and expenses in the notes to their financial statements, both in annual and interim filings. The objective is to provide investors with greater transparency into a company's expense structure, enabling a better understanding of performance, assessment of future cash flows, and comparison with other entities. Key provisions include the disaggregation, in a tabular format, of specific natural expense categories such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization, within each relevant expense caption on the income statement. The ASU also requires disclosure of the total amount of selling expenses and a qualitative description of expenses remaining in the "other" category. For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of adopting this ASU on its financial statements and disclosures.

Note 4. Going Concern

The accompanying consolidated financial statements and notes have been prepared assuming the Company will continue as a going concern. The Company incurred a net loss of \$12,478,487, has an accumulated deficit of \$46,289,219 and working capital deficit of \$411,225. These factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company's ability to increase revenues, execute on its business plan to acquire complimentary companies, raise capital, and to continue to sustain adequate working capital to finance its operations. The failure to achieve the necessary levels of profitability and cash flows would be detrimental to the Company. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 5. Other Current Assets

Other current assets totaled \$1,109,494 and \$833,472 for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, approximately \$943,000 and \$136,000 of the balance was related to prepaid inventory to the Company's suppliers and prepaid legal fees, respectively. The remainder of the balance was related to prepaid insurance and other prepaid expenses.

Note 6. Fixed Assets, Net

Fixed assets comprised the following at December 31:

	2024	2023
Computer equipment	\$ 55,346	\$ 47,908
RAS system	-	140,214
Automobiles	94,298	-
Leasehold improvements	17,904	17,904
Building improvements	-	136,653
Total	167,548	342,679
Less: Accumulated depreciation and impairment	(44,688)	(38,822)
Fixed assets, net	\$ 122,860	\$ 303,857

During the year ended December 31, 2024, the Company wrote off building improvements and RAS system improvements with a total carrying amount of \$276,867 as they were determined to be no longer useful.

For the years ended December 31, 2024 and 2023, depreciation expense totaled approximately \$ 5,900 and \$4,500, respectively.

Note 7. Debt and Derivatives

Working Capital Line of Credit

On March 31, 2021, Keeler & Co. and Coastal Pride entered into a loan and security agreement ("Loan Agreement") with Lighthouse Financial Corp., a North Carolina corporation ("Lighthouse"). Pursuant to the terms of the Loan Agreement, Lighthouse made available to Keeler & Co. and Coastal Pride (together, the "Borrowers") a \$5,000,000 revolving line of credit for a term of thirty-six months, renewable annually for one-year periods thereafter. Amounts due under the line of credit were evidenced by a revolving credit note issued to Lighthouse by the Borrowers.

The advance rate of the revolving line of credit was 85% with respect to eligible accounts receivable and the lower of 60% of the Borrowers' eligible inventory, or 80% of the net orderly liquidation value, subject to an inventory sublimit of \$2,500,000. The inventory portion of the loan could never exceed 50% of the outstanding balance. Interest on the line of credit was the prime rate (with a floor of 3.25%), plus 3.75% which increased to 4.75% in 2022. The Borrowers paid Lighthouse a facility fee of \$50,000 in three instalments of \$16,667 in March, April and May 2021 and an additional facility fee of \$25,000 on each anniversary of March 31, 2021. On January 14, 2022, the maximum inventory advance under the line of credit was adjusted from 50% to 70% until June 30, 2022, 65% to July 31, 2022, 60% to August 31, 2022 and 55% to September 30, 2022 at a monthly fee of 0.25% on the portion of the loan in excess of the 50% advance, in order to increase imports to meet customer demand.

The line of credit was secured by a first priority security interest on all the assets of each Borrower. Pursuant to the terms of a guaranty agreement, the Company guaranteed the obligations of the Borrowers under the note and John Keeler, Executive Chairman and Chief Executive Officer of the Company, provided a personal guaranty of up to \$1,000,000 to Lighthouse.

For the year ended December 31, 2022, cash proceeds from the working capital line of credit totaled \$ 12,552,008 and cash payments to the working capital line of credit totaled \$13,144,141. The outstanding balance owed to Lighthouse as of December 31, 2022 was \$ 1,776,068.

On June 16, 2023, the Company terminated the Loan Agreement and paid a total of approximately \$ 108,400 to Lighthouse which included, as of June 16, 2023, an outstanding principal balance of approximately \$93,400, accrued interest of approximately \$9,900, and other fees incurred in connection with the line of credit of approximately \$4,900. Upon the repayment of the total outstanding indebtedness owing to Lighthouse, the Loan Agreement and all other related financing agreements and documents entered into in connection with the Loan Agreement were deemed terminated.

John Keeler Promissory Notes – Subordinated

The Company had unsecured promissory notes outstanding to John Keeler of \$ 0 and \$165,620 as of December 31, 2024 and 2023, respectively. These notes are payable on demand and bear an annual interest rate of 6%. Since March 31, 2021, these notes are subordinated to the Lighthouse note. The Company made principal payments during the year ended December 31, 2024 and 2023 of \$165,620 and \$157,380, respectively. During the year ended December 31, 2023, the Company issued 79,167 shares of its common stock to settle \$ 570,000 principal of the subordinated notes.

On November 26, 2019, the Company issued a five-year unsecured promissory note in the principal amount of \$ 500,000 to Walter Lubkin Jr. as part of the purchase price for the Coastal Pride acquisition. The note bears interest at the rate of 4% per annum. The note is payable quarterly in an amount equal to the lesser of (i) \$25,000 or (ii) 25% of the EBITDA of Coastal Pride, as determined on the first day of each quarter.

For the year ended December 31, 2023, \$250,000 of the outstanding principal was paid in shares of common stock of the Company.

For the year ended December 31, 2024, \$100,000 of the outstanding principal was paid cash.

Interest expense for the note totaled approximately \$3,800 and \$14,100 during the year ended December 31, 2024 and December 31, 2023, respectively.

As of December 31, 2024 and December 31, 2023, the outstanding principal balance on the note totaled \$ 0 and \$100,000, respectively.

Lind Global Fund II LP notes

2022 Note

On January 24, 2022, the Company entered into a securities purchase agreement with Lind Global Fund II LP, a Delaware limited partnership ("Lind"), pursuant to which the Company issued Lind a secured, two-year, interest free convertible promissory note in the principal amount of \$5,750,000 (the "2022 Lind Note") and a five-year warrant to purchase 1,000,000 shares of common stock at an exercise price of \$ 4.50 per share, subject to customary adjustments (1,000 shares of common stock at an exercise price of \$ 4,500 per share after taking into account the Company's Reverse Stock Split). The warrant provides for cashless exercise and for full ratchet anti-dilution if the Company issues securities at less than \$4.50 per share (exercise price of \$4,500 per share after taking into account the Company's Reverse Stock Split). In connection with the issuance of the 2022 Lind Note and the warrant, the Company paid a \$150,000 commitment fee to Lind and \$ 87,144 of debt issuance costs. The Company recorded a total of \$ 2,022,397 debt discount at issuance of the debt, including original issuance discount of \$750,000, commitment fee of \$150,000, \$87,144 debt issuance cost, and \$1,035,253 related to the fair value of warrants issued. Amortization expense recorded in interest expense totaled \$0 and \$643,777 for the year ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and December 31, 2023, the unamortized discount on the 2022 Lind Note was \$0, respectively.

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The outstanding principal under the 2022 Lind Note is payable commencing July 24, 2022, in 18 consecutive monthly installments of \$ 333,333, at the Company's option, in cash or shares of common stock at a price (the "Repayment Share Price") based on 90% of the five lowest volume weighted average prices ("VWAP") during the 20-days prior to the payment date with a floor price of \$1.50 per share (the "Floor Price") (floor price of \$1,500 per share after taking into account the Company's Reverse Stock Split), or a combination of cash and stock provided that if at any time the Repayment Share Price is deemed to be the Floor Price, then in addition to shares, the Company will pay Lind an additional amount in cash as determined pursuant to a formula contained in the 2022 Lind Note.

In connection with the issuance of the 2022 Lind Note, the Company granted Lind a first priority security interest and lien on all of its assets, including a pledge of its shares in Keeler & Co., pursuant to a security agreement and a stock pledge agreement with Lind, dated January 24, 2022 (the "2022 Security Agreement"). Each subsidiary of the Company also granted a second priority security interest in all of its respective assets.

The 2022 Lind Note is mandatorily payable prior to maturity if the Company issues any preferred stock (with certain exceptions described in the note) or, if the Company or its subsidiaries issues any indebtedness. The Company also agreed not to issue or sell any securities with a conversion, exercise or other price based on a discount to the trading prices of the Company's stock or to grant the right to receive additional securities based on future transactions of the Company on terms more favorable than those granted to Lind, with certain exceptions.

If the Company fails to maintain the listing and trading of its common stock, the note will become due and payable and Lind may convert all or a portion of the outstanding principal at the lower of the then current conversion price and 80% of the average of the 3-day VWAP during the 20 days prior to delivery of the conversion notice.

If the Company engages in capital raising transactions, Lind has the right to purchase up to 10% of the new securities.

The 2022 Lind Note is convertible into common stock at \$ 5.00 per share (\$5,000 per share after taking into account the Company's Reverse Stock Split), subject to certain adjustments, on April 22, 2022; provided that no such conversion may be made that would result in beneficial ownership by Lind and its affiliates of more than 4.99% of the Company's outstanding shares of common stock. If shares are issued by the Company at less than the conversion price, the conversion price will be reduced to such price.

Upon a change of control of the Company, as defined in the 2022 Lind Note, Lind has the right to require the Company to prepay 10% of the outstanding principal amount of the 2022 Lind Note. The Company may prepay the outstanding principal amount of the note, provided Lind may convert up to 25% of the principal amount of the 2022 Lind Note at a price per share equal to the lesser of the Repayment Share Price or the conversion price. The 2022 Lind Note contains certain negative covenants, including restricting the Company from certain distributions, stock repurchases, borrowing, sale of assets, loans and exchange offers.

Upon an event of default as described in the 2022 Lind Note, the 2022 Lind Note will become immediately due and payable at a default interest rate of 125% of the then outstanding principal amount. Upon a default, all or a portion of the outstanding principal amount may be converted into shares of common stock by Lind at the lower of the conversion price and 80% of the average of the three lowest daily VWAPs.

During the year ended December 31, 2023, the Company made aggregate principal payments on the 2022 Lind Note of \$ 2,075,900 through the issuance of an aggregate of 27,584 shares of common stock. On September 15, 2023, the Company paid \$ 2,573,142 to Lind and the 2022 Lind Note was extinguished.

2023 Note

On May 30, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Lind pursuant to which the Company issued to Lind a secured, two-year, interest free convertible promissory note in the principal amount of \$1,200,000 (the "2023 Lind Note") and a warrant (the "Lind Warrant") to purchase 8,701 shares of common stock of the Company commencing six months after issuance and exercisable for five years at an exercise price of \$122.50 per share. The Lind Warrant includes cashless exercise and full ratchet anti-dilution provisions. In connection with the issuance of the Lind Note and the Lind Warrant, the Company paid Lind a \$50,000 commitment fee. The proceeds from the sale of the Note and Warrant are for general working capital purposes.

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In connection with the issuance of the 2022 Lind Note, the Company and Lind amended the 2022 Security Agreement to include the new 2023 Lind Note, pursuant to an amended and restated security agreement, dated May 30, 2023, between the Company and Lind.

The Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issuable pursuant to the 2023 Lind Note and Lind Warrant. If the registration statement is not declared effective within 90 days the 2023 Lind Note will be in default. Lind was also granted piggyback registration rights.

If the Company engages in capital raising transactions, Lind has the right to purchase up to 20% of the new securities for 24 months.

The 2023 Lind Note is convertible into common stock of the Company after the earlier of 90 days from issuance or the date the registration statement is effective, provided that no such conversion may be made that would result in beneficial ownership by Lind and its affiliates of more than 4.99% of the Company's outstanding shares of common stock. The conversion price of the 2023 Lind Note is equal to the lesser of: (i) \$120.00; or (ii) 90% of the lowest single volume-weighted average price during the twenty-trading day period ending on the last trading day immediately preceding the applicable conversion date, subject to customary adjustments. The maximum number of shares of common stock to be issued in connection with the conversion of the 2023 Lind Note and the exercise of the Lind Warrant, in the aggregate, will not, exceed 19.9% of the outstanding shares of common stock of the Company immediately prior to the date of the 2023 Lind Note, in accordance with NASDAQ rules and guidance. Due to the variable conversion price of the 2023 Lind Note, the embedded conversion feature was accounted as a derivative liability. The fair value of the derivative liability at issuance amounting to \$264,687 was recorded as debt discount and amortized over the term of the note.

The 2023 Lind Note contains certain negative covenants, including restricting the Company from certain distributions, stock repurchases, borrowing, sale of assets, loans and exchange offers.

Upon the occurrence of an event of default as described in the 2023 Lind Note, the 2023 Lind Note will become immediately due and payable at a default interest rate of 120% of the then outstanding principal amount of the Lind Note.

The Warrant entitles the Investor to purchase up to 8,701 shares of common stock of the Company during the exercise period commencing on the date that is six months after the issue date ("Exercise Period Commencement") and ending on the date that is sixty months from the Exercise Period Commencement at an exercise price of \$122.50 per share, subject to customary adjustments. The Warrant includes cashless exercise and full ratchet anti-dilution provisions.

On July 27, 2023, the Company, entered into a First Amendment to the Purchase Agreement (the "Purchase Agreement Amendment") with Lind, which provided for the issuance of further senior convertible promissory notes up to an aggregate principal amount of up to \$1,800,000 and the issuance of additional warrants in such amounts as the Company and Lind shall mutually agree.

Pursuant to the Purchase Agreement Amendment, the Company issued to Lind a two-year, interest free convertible promissory note in the principal amount of \$300,000 and a warrant to purchase 3,505 shares of common stock of the Company at an exercise price of \$ 67.00 per share for \$250,000. In connection with the issuance of the note and the warrant, the Company paid a \$12,500 commitment fee. The proceeds from the sale of the note and warrant are for general working capital purposes.

Due to the variable conversion price of the Purchase Agreement Amendment, the embedded conversion feature was accounted as a derivative liability. The fair value of the derivative liability at issuance amounting to \$118,984 was recorded as debt discount and amortized over the term of the note.

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On August 3, 2024 the Company and Lind entered into a waiver and acknowledgement agreement.

The Company and Lind previously entered into that certain Securities Purchase Agreement, dated as of May 20, 2023, as amended on July 27, 2023 pursuant to which the Company issued Lind a senior convertible promissory note in the principal amount of \$300,000. Each of the Company and Lind acknowledge that the amounts owing under the convertible promissory note as of the filing of the Waiver Agreement is equal to \$355,500.00.

During the year ended December 31, 2024, \$1,500,000 of note principal was converted to 1,891,310 shares of common stock. As of December 31, 2024, the outstanding balance on the notes was \$55,500, net of debt discount of \$27,656, and totaling \$27,844. As of December 31, 2024, the total derivative liability and warrant liability was \$49,565 and \$0, respectively.

Agile Lending, LLC loan

On June 14, 2023, the Company, through its subsidiary Keeler & Co. ("Borrowers") entered into a subordinated business loan and security agreement with Agile Lending, LLC as lead lender ("Agile") and Agile Capital Funding, LLC as collateral agent, which provides for a term loan to the Company in the amount of \$525,000 which principal and interest (of \$231,000) is due on December 15, 2023. Commencing June 23, 2023, the Company is required to make weekly payments of \$29,077 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$ 25,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated June 14, 2023, in the principal amount of \$525,000 which note is secured by all of the Borrower's assets, including receivables. For the year ended December 31, 2023, the Company made principal and interest payments on the loan totaling \$525,000 and \$116,658, respectively, and the outstanding interest balance was refinanced on January 2, 2024 loan. The refinancing provides for a term loan to the Company in the amount of \$122,491 which principal and interest (of \$48,996) is due on May 31, 2024. Commencing January 5, 2024, the Company is required to make weekly payments of \$7,795 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$5,833 was paid on the loan. A default interest rate of 5% will become effective upon the occurrence of an event of default. In connection with the refinanced loan, Agile was issued a subordinated secured promissory note, dated January 2, 2024, in the principal amount of \$122,491 which note is secured by all of the Borrower's assets, including receivables. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$122,491 and interest payments of \$48,996. The outstanding balance on the loan was \$0 as of December 31, 2024.

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On October 19, 2023, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$84,000) and is due on April 1, 2024. Commencing October 19, 2023, the Company is required to make weekly payments of \$12,250 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated October 19, 2023, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$112,000 and interest payments of \$84,000. The outstanding balance on the loan was \$0 as of December 31, 2024.

On March 1, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$79,800) is due on August 29, 2024.

Commencing March 7, 2024, the Company is required to make weekly payments of \$11,146 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated March 1, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$210,000 and interest payments of \$79,800. The outstanding balance on the loan was \$0 as of December 31, 2024.

On May 9, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$84,000) is due on November 22, 2024. Commencing May 17, 2024, the Company is required to make weekly payments of \$10,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated May 9, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$210,000 and interest payments of \$84,000 were made. The outstanding balance on the loan was \$0 as of December 31, 2024.

On July 25, 2024, the Borrowers entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$210,000 which principal and interest (of \$84,000) is due on January 31, 2025. Commencing August 2, 2024, the Company is required to make weekly payments of \$10,889 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$10,000 was paid on the loan which was recognized as a debt discount and amortized over the term of the loan. In connection with the loan, Agile was issued a subordinated secured promissory note, dated July 25, 2024, in the principal amount of \$210,000 which note is secured by all of the Borrowers' assets, including receivables. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$210,000 and interest payments of \$29,556 were made. The outstanding balance on the loan was \$0 as of December 31, 2024.

ClearThink Term Loan

On January 18, 2024, the Company entered into the Revenue-Based Factoring MCA Plus Agreement with ClearThink Capital LLC ("ClearThink") which provides, among other things, for a 33-week term loan in the principal amount of \$200,000 (with an additional one-time commitment fee of \$50,000). Interest accrues at the rate of 25% per annum with an additional 5% default interest rate or \$50,000 will be added to the principal amount and accrue after principal is paid. The Company is required to make biweekly payments of \$14,706, commencing February 1, 2024 for the term of the agreement. On January 25, 2024, the Company issued 7,092 shares of common stock to ClearThink as a commitment fee, with a fair value of \$50,000. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$200,000 and interest payments of \$50,000. The outstanding balance on the loan was \$0 as of December 31, 2024.

F-24

1800 Diagonal Notes

On April 16, 2024, the Company issued to 1800 Diagonal Lending LLC, a Virginia limited liability company ("Diagonal"), a convertible promissory note in the principal amount of \$138,000 with an original issue discount of \$23,000 (the "April Diagonal Note"). The April Diagonal Note has a one-time interest payment of \$26,220 paid upon issuance and a maturity date of January 15, 2025. The proceeds from the sale of the April Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the April Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the note into shares of the Company's common stock at a conversion price of 61% of the market price as described in the First Diagonal Note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the April Diagonal Note. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$138,000 and interest payments of \$26,220. The outstanding balance on the loan was \$0 as of December 31, 2024.

On September 9, 2024, the Company issued to Diagonal a convertible promissory note in the principal amount of \$179,400 with an original issue discount of \$23,400 (the "September Diagonal Note"). The September Diagonal Note has an interest rate of 13% with a one-time interest payment of \$23,322 paid upon issuance and a maturity date of June 15, 2025. The proceeds from the sale of the September Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the September Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the September Diagonal Note into shares of the Company's common stock at a conversion price of 65% of the market price as described in the note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the September Diagonal Note. The Company is required to make monthly payments starting March 15, 2025, until the due date of June 15, 2025. The first payment due March 15, 2025, is \$131,769. The monthly payment for April 15, 2025, May 15, 2025, and June 15, 2025, is \$23,651. For the year ended December 31, 2024, no principal and interest payments were made. The outstanding balance on the loan was \$179,400 as of December 31, 2024.

On October 1, 2024, the Company issued to Diagonal a convertible promissory note in the principal amount of \$121,900 with an original issue discount of \$15,900 (the "October Diagonal Note"). The October Diagonal Note has an interest rate of 12% with a one-time interest payment of \$14,628 paid upon issuance and a maturity date of June 30, 2025. The proceeds from the sale of the October Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the October Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the October Diagonal Note into shares of the Company's common stock at a conversion price of 75% of the market price as described in the note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the October Diagonal Note. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$40,634 and interest payments of \$4,876. The outstanding balance on the loan was \$81,266 as of December 31, 2024.

On December 16, 2024, the Company issued to Diagonal a convertible promissory note in the principal amount of \$90,850 with an original issue discount of \$11,850 (the "December Diagonal Note"). The December Diagonal Note has an interest rate of 12% with a one-time interest payment of \$10,902 paid upon issuance and a maturity date of September 15, 2025. The proceeds from the sale of the December Diagonal Note are for general working capital. Upon the occurrence of an event of default as described in the December Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. Additionally, Diagonal will have the right to convert all or any part of the outstanding and unpaid amount of the December Diagonal Note into shares of the Company's common stock at a conversion price of 75% of the market price as described in the note. The Company may not, without Diagonal's written consent, sell, lease, or otherwise dispose of any significant portion of its assets except in the ordinary course of business. The Company will reserve a sufficient number of shares to provide for the issuance of shares upon the full conversion of the December Diagonal Note. For the year ended December 31, 2024, the Company made no principal and interest payments on the loan. The outstanding balance on the loan was \$90,850 as of December 31, 2024.

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The Hart Note

On April 16, 2024, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Hart Associates, LLC, a Delaware limited liability company (the "Hart"), pursuant to which the Company issued a promissory note in the principal amount of \$300,000 and will issue 10,000 shares of its common stock to Hart (the "Hart Note"). The Hart Note has a one-time interest payment of \$50,000 payable on the maturity date of May 15, 2024, which was extended to August 15, 2024. The proceeds from the sale of the Hart Note are for general working capital. The Company may prepay the Hart Note at any time without penalty. The Company's failure to comply with the material terms of the Hart Note will be considered an event of default and the principal sum of the Hart Note will increase by 20% of the outstanding balance for each subsequent 30 days it remains in default. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$250,000, and interest payments of \$50,000. The outstanding balance on the loan was \$0 as of December 31, 2024.

The FirstFire Note

On May 17, 2024, the Company entered into a promissory note with FirstFire Global Opportunities Fund, LLC, a Delaware limited liability company (the "FirstFire"), pursuant to which the Company issued a promissory note in the principal amount of \$240,000 with an original discount of \$40,000 (the "FirstFire Note"). The FirstFire Note accrues interest at a rate of 19% per annum and has a maturity date of April 17, 2025. The proceeds from the sale of the FirstFire Note are for general corporate purposes. The FirstFire Note has mandatory monthly payments due the 17th of each month. The initial payment on August 17, 2024 is \$185,600. Monthly payments from September 2024 – December 2024 are \$22,000. Monthly payments from January 2025 - April 2025 are \$3,000. The Company may prepay the FirstFire Note at any time without penalty. The Company's failure to comply with the material terms of the FirstFire Note will be considered an event of default and the principal sum of the FirstFire Note will become immediately due and payable at an amount equal to 150% times the sum of (i) the then outstanding principal amount of the note plus (ii) accrued and unpaid interest on the unpaid principal amount of the note to the date of payment plus (iii) default interest, (iv) plus any other amounts owed to FirstFire. After the occurrence of an event of default, at any time, the FirstFire shall have the right, to convert all or any part of the outstanding and unpaid amount of the FirstFire Note into fully paid and non-assessable shares of our common stock. The conversion price shall be 61% multiplied by the Market Price (as defined in the FirstFire Note) (representing a discount rate of 39%). While the FirstFire Note remains outstanding, we will reserve 40,000 shares of our common stock free from preemptive rights, to provide for the issuance upon the full conversion of the FirstFire Note. While the FirstFire Note remains outstanding, we shall not, without the FirstFire's written consent, sell, lease, or otherwise dispose of any significant portion of our assets outside the ordinary course of business. For the year ended December 31, 2024, the Company made principal payments on the loan totaling \$240,000, and interest payments of \$40,000. The outstanding balance on the loan was \$0 as of December 31, 2024.

August 2024 Private Placement Offering

In August, 2024, the Company entered into securities purchase agreements (each a "Securities Purchase Agreement") with each of Quick Capital, LLC, a Wyoming limited liability company ("Quick Capital") and Jefferson Street Capital, LLC, a New Jersey limited liability company ("Jefferson") whereby we issued promissory notes in the aggregate principal amount of \$550,000 (the "August Private Placement Offering").

The Company agreed to issue to Quick Capital and Jefferson up to 39,300 shares of our Common Stock as a "Commitment Fee".

As part of the August Private Placement Offering, the Company issued two promissory notes each in the principal amount of \$275,000 with an original issue discount of \$25,000 (the "Private Placement Notes"). The Private Placement Notes have a one-time interest payment of \$27,500. Thereafter, any principal amount of interest which is not paid upon maturity will accrue at a rate of the lesser of (i) sixteen percent (16%) per annum, or (ii) the maximum amount permitted by law from the due date thereof until the same is paid. The Private Placement Notes have a maturity date of 10 months after issuance and the proceeds from the notes are for general corporate purposes. The Company agreed to issue to each of Quick Capital and Jefferson 19,650 shares of Common Stock as additional consideration for entering into Private Placement Notes.

The investors have the right, at any time on or following the earlier of (i) the date that any of the shares are registered for resale under a registration statement of the Company or (ii) the date that is six (6) months after the issue date, to convert all or any portion of the then outstanding and unpaid principal and interest into fully paid and non-assessable shares of our Common Stock. The conversion price shall be \$1.50, subject to adjustments. We have agreed to reserve a sufficient number of Common Stock (initially, 2,000,000 shares) for issuance upon conversion of the Private Placement Notes in accordance with their terms.

If an event of default occurs under the Private Placement Notes, the investors have the right to convert all amounts outstanding under the notes at any time thereafter into shares of Common Stock at the lesser of (i) the then applicable conversion price under the notes or (ii) the Market Price. "Market Price" shall mean 85% of the lowest VWAP on any trading day during the ten (10) trading days prior to the respective conversion date. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal market during the period beginning at 9:30 a.m., Eastern Standard Time, and ending at 4:00 p.m., Eastern Standard Time, as reported by Quotestream or other similar quotation service provider designated by the investors.

The Company may prepay the Private Placement Notes at any time with fifteen (15) trading days prior written notice (the "Prepayment Notice Period"). During the Prepayment Notice Period, the investor shall have the right to convert all or any portion of the Private Placement Notes pursuant to the terms of the notes, including the amount of the Private Placement Notes to be prepaid. If the Company exercises its right to prepay the notes, the Company shall make payment to the investor of an amount in cash equal to the sum of: (i) 100% multiplied by the principal amount then outstanding plus (ii) accrued and unpaid interest on the principal amount to the Prepayment Notice Date, and (iii) \$750 to reimburse the investor for administrative fees.

If the Company delivers a prepayment notice and fails to pay the applicable prepayment amount, the Company shall forever forfeit its right to prepay any part of the Private Placement Notes.

The Private Placement Notes have mandatory monthly payments of \$43,200. The initial payments are due on November 9, 2024 and November 12, 2024, respectively.

The Company's failure to comply with the material terms of the Private Placement Notes will be considered an event of default and the principal sum of the Private Placement Notes will become immediately due and payable at an amount equal to the principal amount then outstanding plus accrued interest (including any default interest) through the date of full repayment multiplied by 135%, as well as all costs, all without demand, presentment or notice, unless expressly waived by the investor.

The investors may assign their rights to any "accredited investor" (as defined in Rule 501(a) of the 1933 Act) in a private transaction or to any of its affiliates without the consent of the Company.

While the Private Placement Notes remain outstanding, we shall not, without the investor's written consent (i) (a) pay, declare or set apart for such payment, any dividend or other distribution on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution with respect to its capital stock

except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Company's disinterested directors, (ii) redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Company or any warrants, rights or options to purchase or acquire any such shares, or repay any indebtedness of the investor (iii) advance any loans made in the ordinary course of business in excess of \$100,000, (iv) sell, lease or otherwise dispose of any significant portion of our assets outside the ordinary course of business, and (v) enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant to, in whole or in part, either Section 3(a)(9) or Section 3(a)(10) of the Securities Act.

In conjunction with the August Private Placement Offering, the Company entered into a registration rights agreement with each of Quick Capital and Jefferson. The Company agreed to file a registration statement with the Securities and Exchange Commission to register the re-sale of the maximum number of shares of Common Stock covered in the August Private Placement Offering within sixty (60) calendar days from the date of execution.

During the year ended December 31, 2024, the Company made aggregate principal payments on the Private Placement Notes of \$ 192,486 of which \$20,436 was paid through the issuance of an aggregate of 250,000 shares of common stock. The outstanding balance on the loan was \$ 357,514 as of December 31, 2024.

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Vehicle Loan

On December 7, 2024, the Company entered into a financing loan in connection with the purchase of a company vehicle. The loan has a principal amount of \$69,299, bears interest at an annual rate of 9.34%, and is repayable in monthly installments of \$ 1,450, including principal and interest, over a term of 60 months. As of December 31, 2024, the outstanding balance on the vehicle loan was \$69,299.

First West Credit Union CEBA Loan

On June 24, 2021, the Company assumed a commercial term loan with First West Credit Union Canada Emergency Business Account ("CEBA") in the principal amount of CAD\$60,000 in connection with the acquisition of TOBC. The loan initially bears no interest and is due on December 31, 2022. Under the amended terms, if no more than 75% of the principal was repaid by December 31, 2023, the full amount would convert to a term loan bearing interest at an annual rate of 5.0%, with interest only monthly payments beginning January 1, 2024, and the full principal due by December 31, 2026. As of December 31, 2024, the outstanding balance on the loan was CAD\$60,000.

Interest expense totaled \$2,060,718 and \$1,771,942 for the year ended December 31, 2024 and 2023, respectively. For the year ended December 31, 2024, approximately \$1,232,500 and \$868,900 of the balance was related to amortization on debt discount and cash paid interest.

Note 8. Stockholders' Equity

Preferred Stock

Our Board of Directors has designated 10,000 shares of preferred stock as "8% Series A Convertible Preferred Stock". The Series A Convertible Preferred Stock ("Series A Stock") has no maturity and is not subject to any sinking fund or redemption and will remain outstanding indefinitely unless and until converted by the holder or the Company redeems or otherwise repurchases the Series A Stock.

Dividends. Cumulative dividends accrue on each share of Series A Stock at the rate of 8% (the "Dividend Rate") of the purchase price of \$ 1,000.00 per share, commencing on the date of issuance. Dividends are payable quarterly, when and if declared by the Board, beginning on September 30, 2018 (each a "Dividend Payment Date") and are payable in shares of common stock (a "PIK Dividend") with such shares being valued at the daily volume weighted average price ("VWAP") of the common stock for the thirty trading days immediately prior to each Dividend Payment Date or if not traded or quoted as determined by an independent appraiser selected in good faith by the Company. Any fractional shares of a PIK Dividend will be rounded to the nearest one-hundredth of a share. All shares of common stock issued in payment of a PIK Dividend will be duly authorized, validly issued, fully paid and non-assessable. Dividends will accumulate whether or not the Company has earnings, there are funds legally available for the payment of those dividends and whether or not those dividends are declared by the Board.

For the year ended December 31, 2024 and 2023, the Company had no preferred stock outstanding.

Common Stock

In January 2023, the Company sold an aggregate of 474 shares of common stock for net proceeds of \$ 182,982 in an "at the market" offering pursuant to a sales agreement between the Company and Roth Capital Partners, LLC ("Roth"). On January 31, 2023, 151 of shares were repurchased from Roth for \$76,323. The offering was terminated on February 2, 2023.

On February 14, 2023, the Company issued 8,200 shares of common stock and 800 Pre-Funded Warrants to purchase common stock to Aegis Capital Corp. ("Aegis") for net proceeds of \$1,692,000 in connection with an underwritten offering.

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On August 22, 2023, the Company issued 4,000 shares of common stock with a fair value of \$ 157,980 to Mark Crone for consulting services to be provided to the Company starting on January 1, 2024, which will be amortized to expense over the term of the agreement and the shares will vest when services are provided. The Company recognized no stock compensation expense for the year ended December 31, 2023 in connection with these shares.

On September 11, 2023, the Company sold an aggregate of 13,800 shares of common stock for net proceeds of \$ 321,195 in an underwritten public offering pursuant to a securities purchase agreement. The Company issued an aggregate of 34,008 shares upon the exercise of warrants.

On December 31, 2023, the Company issued an aggregate of 79,167 shares of common stock to John Keeler's designee in lieu of payment of \$ 570,000 of the principal amount of outstanding promissory notes held by Mr. Keeler.

On December 31, 2023, the Company issued 3,472 shares of common stock to each of Silvia Alana, Nubar Herian and John Keeler, 5,556 shares of common stock to each of Timothy McLellan and Trond Ringstad, 2,025 shares of common stock to Juan Carlos Dalto and 7,986 shares of common stock to Jeffrey Guzy with a total fair value of \$227,083 for serving as directors of the Company.

On December 31, 2023, the Company issued 34,722 shares of common stock to Walter Lubkin Jr. in lieu of \$ 250,000 of outstanding principal payment due under promissory notes issued by the Company in connection with the Coastal Pride acquisition.

During the year ended December 31, 2023, the Company issued an aggregate of 4,785 shares of common stock to the designee of ClearThink for consulting services provided to the Company.

During the year ended December 31, 2023, the Company issued an aggregate of 27,612 shares of common stock for cash proceeds of \$343,849 pursuant to a securities purchase agreement, dated May 16, 2023, with ClearThink. In connection with such agreement, the Company also issued 1,250 shares of common stock to ClearThink as a commitment fee, with a fair value of \$141,250, which was recorded as stock issuance costs.

During the year ended December 31, 2023, between October 2023 and November 2023, the Company issued an aggregate of 167,015 shares upon the exercise of warrants pursuant to a securities purchase agreement.

During the year ended December 31, 2023, the Company issued an aggregate of 27,584 shares of common stock to Lind with a fair value of \$ 3,053,088 as payment of \$2,075,900 of note principal due on a convertible promissory note, and recorded a loss of \$ 977,188.

On January 25, 2024, the Company issued 7,092 shares of common stock to ClearThink, with a fair value of \$ 50,000, as a commitment fee on the term loan.

On February 12, 2024, the Company issued 100,000 shares of common stock to be held by The Crone Law Group as Escrow Agent with a fair value of \$630,000 in connection with the Option Agreement with Afritex Texas.

On May 22, 2024, the Company issued 10,000 shares of common stock to Hart, with a fair value of \$ 23,300, as a commitment fee on the promissory note.

On August 12, 2024, the Company issued an aggregate of 39,300 shares of common stock to Jefferson and Quick Capital, with a fair value of \$ 45,588, as a commitment fee on the term loan.

On October 18, 2024, the Company issued 172,000 shares of common stock with a fair value of \$ 86,000 to Mark Crone for consulting services provided to the Company.

On October 18, 2024, the Company issued 168,000 shares of common stock with a fair value of \$ 84,000 to Walter F. Lubkin Jr. for consulting services provided to the Company.

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On December 27, 2024, the Company issued an aggregate of 250,000 shares of common stock to Jefferson as partial conversion of \$ 20,436 principal pursuant to the convertible promissory note.

During the year ended December 31, 2024, the Company issued an aggregate of 1,339,656 shares of common stock in consideration of net proceeds of \$2,975,610 pursuant to a securities purchase agreement, dated May 16, 2023 with ClearThink.

During the year ended December 31, 2024, the Company issued an aggregate of 1,891,310 shares of common stock to Lind as partial conversion of \$1,500,000 principal pursuant to the May 2023 convertible promissory note.

During the year ended December 31, 2024, the Company issued an aggregate of 128,118 shares of common stock to the designee of ClearThink with a fair value of \$132,000 for consulting services provided to the Company.

During the year ended December 31, 2024, the Company sold an aggregate of 5,370,176 shares of common stock for net proceeds of \$ 3,186,016 in an "at the market" offering pursuant to a sales agreement between the Company and H.C. Wainwright & Co., LLC ("Wainwright").

Note 9. Options

During the years ended December 31, 2024 and December 31, 2023, \$ 2,968 and \$69,125, respectively, in compensation expense was recognized on the following:

1. Ten-year options to purchase an aggregate of 351 shares of common stock at an exercise price of \$ 2,000.00, which vest as to 25% of the shares subject to the option each year from the date of grant, were issued to various long-term employees under the 2018 Plan during the year ended December 31, 2019 and 166 was forfeited during the year ended December 31, 2024.
2. Ten-year option to purchase 250 shares of common stock at an exercise price of \$ 2,000.00, which vest as to 20% of the shares subject to the option each year from the date of grant, were issued to an officer of the Company under the 2018 Plan during the year ended December 31, 2019.
3. Ten-year options to purchase an aggregate of 25 shares of common stock at an exercise price of \$ 2,000.00, which vest as to 25% of the shares subject to the option each year from the date of grant, were issued to various contractors during the year ended December 31, 2019 and 25 was forfeited during the year ended December 31, 2024.
4. Three-year options to purchase an aggregate of 500 shares of common stock at an exercise price of \$ 2,000.00, which vest in equal monthly installments during the first year from the date of grant, were issued to the Company's directors during the year ended December 31, 2021 and expired in accordance with their terms during the year ended December 31, 2024.
5. Three-year option to purchase 7 shares of common stock at an exercise price of \$ 6,000.00, which vest in equal monthly installments during the term of the option, were issued to an officer of the Company during the year ended December 31, 2021 and was forfeited during the year ended December 31, 2024.
6. Five-year options to purchase an aggregate of 175 shares of common stock at an exercise price of \$ 2,000.00, which vest in equal monthly installments during the term of the option, were issued to the Company's directors during the year ended December 31, 2022 and 25 was forfeited during the year ended December 31, 2024.
7. Three-year options to purchase 28 shares of common stock at an exercise price of \$ 860.00, which vest in equal monthly installments during the term of the option, were issued to an employee during the year ended December 31, 2022.
8. Three-year option to purchase 6 shares of common stock at an exercise price of \$ 790.00, which vest in equal monthly installments during the term of the option, were issued to an employee during the year ended December 31, 2022.
9. Three-year option to purchase 864 shares of common stock at an exercise price of \$ 40.00, which vest in equal monthly installments during the term of the option, were issued to an officer of the Company during the year ended December 31, 2023 and was forfeited during the year ended December 31, 2024.
10. Three-year option to purchase 1,030 shares of common stock at an exercise price of \$ 17.50, which vest in equal monthly installments during the term of the option, were issued to an employee during the year ended December 31, 2023.

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The following table summarizes the assumptions used to estimate the fair value of the stock options granted for the years ended December 31, 2024 and 2023:

	2024	2023
Expected Volatility	-%	35% – 45 %
Risk Free Interest Rate	-%	2.87% – 4.72 %
Expected life of options	-	3.0 – 5.0

On August 3, 2023, the Company granted an officer a three-year option to purchase 864 shares of common stock at an exercise price of \$ 40.00, which vest in equal monthly installments during the term of the option.

On October 1, 2023, the Company granted an employee a three-year option to purchase 1,030 shares of common stock at an exercise price of \$ 18.00, which vest in equal monthly installments during the term of the option.

Under the Black-Scholes option pricing model, the fair value of the 864 options and 1,030 options granted during the year ended December 31, 2023 is estimated at \$12,261 and \$5,489, respectively, on the date of grant using the following assumptions: stock price of \$ 40.00 and \$18.00 at the grant date, exercise price of the option, option term, volatility rate of 45.44% and 35.97% and risk-free interest rate of 4.58% and 4.72%, respectively. The unrecognized portion of the expense remaining at December 31, 2024, is \$0 and \$3,131, respectively, which is expected to be recognized to expense over a period of two years.

The following table represents option activity for the years ended December 31, 2024 and 2023:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2022	4,462	\$ 2,000.00	5.25	
Exercisable – December 31, 2022	4,122	\$ 2,000.00	5.28	\$ -
Granted	1,894	\$ 29.00		
Forfeited	(25)	\$ 2,000.00		
Vested	4,398	-		
Outstanding – December 31, 2023	6,331	\$ 1,426.52	3.80	
Exercisable – December 31, 2023	4,398	\$ 1,426.52	4.27	\$ -
Granted	-	\$ -		
Forfeited	1,087	\$ -		
Expired	500	\$ -		
Vested	4,076	-		
Outstanding – December 31, 2024	4,744	\$ 1,532.26	3.34	
Exercisable – December 31, 2024	4,076	\$ 1,532.26	3.61	\$ -

For the year ended December 31, 2023, the Company determined that the five-year option to purchase 25 shares of common stock at an exercise price of \$2,000.00 granted to a director in 2022 was forfeited as the director resigned in 2023.

For the year ended December 31, 2024, the Company determined that the five-year option to purchase 25 shares of common stock at an exercise price of \$2,000.00 granted to a director in 2022 was forfeited as the director resigned in 2024. In addition, a ten-year option to purchase 191 shares of common stock at an exercise price of \$2,000.00, granted to various long-term employees under the 2018 Plan was forfeited as the employees resigned. Furthermore, a three-year option to purchase 864 shares of common stock at an exercise price of \$ 40.00, and a separate three-year option to purchase 7 shares of common stock at an exercise price of \$6,000.00, both granted to an officer of the Company were forfeited upon the officer's resignation.

The non-vested options outstanding are 668 and 1,933 for the years ended December 31, 2024 and 2023, respectively.

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Note 10. Warrants

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2023	14,619	\$ 601.78	4.20	
Exercisable – December 31, 2023	11,114	\$ 791.55	5.52	\$ -
Granted	-	\$ -		
Exercised	-	\$ -		
Forfeited or Expired	(2,414)	\$ -		
Outstanding – December 31, 2024	12,205	\$ 106.71	3.96	
Exercisable – December 31, 2024	12,205	\$ 106.71	3.96	\$ -

On May 30, 2023, in connection with the issuance of the \$ 1,200,000 promissory note to Lind pursuant to a securities purchase agreement, the Company issued Lind a five-year warrant exercisable six months from the date of issuance to purchase 8,701 shares of common stock at an exercise price of \$122.50 per share. The warrant provides for cashless exercise and full ratchet anti-dilution provisions. Under the Black-Scholes pricing model, the fair value of the warrants issued to purchase 8,701 shares of common stock was estimated at \$381,538 on the date of issuance of the warrant and \$664 as of December 31, 2023 using the following assumptions: stock price of \$107.00 and \$7.00; exercise price of \$123.00, risk free rate of 3.81% and 3.84%, volatility of 46.01% and 50.12%; and expected term of five years. The fair value of the warrants of \$ 381,538 was recorded as a discount to the 2023 Lind Note and classified as liabilities.

On July 27, 2023, in connection with the issuance of the \$300,000 promissory note to Lind pursuant to the Purchase Agreement Amendment, the Company issued Lind a five-year warrant exercisable six months from the date of issuance to purchase 3,505 shares of common stock at an exercise price of \$67.00 per share. The warrant provides for cashless exercise and full ratchet anti-dilution provisions. Under the Black-Scholes pricing model, the fair value of the warrants is estimated at \$72,208 on the date of issuance of the warrant and \$910 as of December 31, 2023 using the following assumptions: stock price of \$53.50 and \$7.00; exercise price of \$67.00; risk free rate of 4.24% and 3.84%; volatility of 45.51% and 49.76%; and expected

term of five years. The fair value of the warrants of \$ 72,208 was recorded as a discount to the 2023 Purchase Agreement Amendment and classified as a liability.

On September 11, 2023, in connection with the underwritten public offering pursuant to a securities purchase agreement, the Company issued pre-funded warrants with the public offering price of \$22.78 immediately exercisable to purchase up to 201,023 shares of common stock at an exercise price of \$0.01 per share for gross proceeds of \$4,578,294. Under the Black-Scholes pricing model, the fair value of the warrants issued to purchase 201,023 shares of common stock was estimated at \$4,619,851 on the date of issuance of the warrant using the following assumptions: stock price of \$ 23.45; exercise price of \$0.50; warrant term; volatility rate of 149.06%; and risk-free interest rate of 5.40% from the US Department of Treasury.

On September 11, 2023, in connection with the underwritten public offering, the Company issued five-year Series A-1 warrants to purchase up to 214,823 shares of common stock which warrants are exercisable upon stockholder approval at an exercise price of \$ 23.28 per share. Since the exercise of these warrants is contingent upon stockholder approval, which stockholder approval has not been obtained, such warrants were not considered as outstanding as of December 31, 2023.

On September 11, 2023, in connection with the underwritten public offering, the Company issued eighteen-month Series A-2 warrants to purchase up to 214,823 shares of common stock which warrants are exercisable upon stockholder approval at an exercise price of \$ 23.28 per share. Since the exercise of these warrants is contingent upon stockholder approval, which stockholder approval has not been obtained, such warrants were not considered as outstanding as of December 31, 2023.

During the year ended December 31, 2023, the Company issued 800 shares of common stock at an exercise price of \$ 199.00 per share pursuant to pre-funded warrants issued to Aegis in connection with an underwritten offering.

For the year ended December 31, 2023, between October 2023 and November 2023, the Company issued an aggregate of 201,023 shares of common stock at an exercise price of \$0.50 to two investors upon exercise of Pre-Funded Warrants.

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Note 11. Income taxes

Federal income tax expense differs from the statutory federal rates of 21% for the years ended December 31, 2024 and December 31, 2023 due to the following:

<i>Rate Reconciliation</i>	December 31, 2024		December 31, 2023	
Provision/(Benefit) at statutory rate	\$ (2,620,482)	(21.00)%	\$ (851,925)	(21.00)%
State tax Provision/(Benefit) net of federal benefit	(429,933)	3.45%	(206,832)	5.10%
Permanent book/tax differences	252,817	(2.03)%	(237,419)	5.85%
Change in valuation allowance	2,934,868	(23.52)%	74,848	(1.85)%
Other	(137,271)	1.10%	1,221,327	(30.11)%
Income Tax Provision/(Benefit)	-	-	-	-

The components of the net deferred tax asset at December 31, 2024 and 2023, are as follows:

	December 31, 2024	December 31, 2023
Deferred Tax Assets		
Allowance for bad debt	\$ 9,774	\$ 5,797
Fixed assets	171,728	136,208
Inventory reserve	356,290	-
Net operating loss carryovers	5,932,995	3,626,165
Non-capital Losses	727,316	511,340
Other	99,962	83,687
Net Deferred Tax Asset/(Liability)	7,298,065	4,363,197
Valuation Allowance	(7,298,065)	(4,363,197)
Net Deferred Tax Asset/(Liability)	\$ -	\$ -

Tax periods for all fiscal years after 2020 remain open to examination by the federal and state taxing jurisdictions to which the Company is subject. As of December 31, 2024, the Company has cumulative net federal and state operating losses of \$24,189,098 and \$18,368,316, respectively.

ASC 740, "Income Taxes" requires that a valuation allowance be established when it is "more likely than not" that all, or a portion of, deferred tax assets will not be recognized. A review of all available positive and negative evidence needs to be considered, including the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. After consideration of all the information available, management believes that uncertainty exists with respect to future realization of its deferred tax assets and has, therefore, established a full valuation allowance as of December 31, 2024.

As of December 31, 2024, and 2023, the Company has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's financial statements. The Company's policy is to classify assessments, if any, for tax related interest as income tax expenses. No interest or penalties were recorded during the years ended December 31, 2024, and 2023.

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Note 12. Commitment and Contingencies

Office lease

On January 1, 2022, the Company entered into a verbal month-to-month lease agreement for its executive offices with an unrelated third party and paid \$69,600 on the lease for the year ended December 31, 2023. For the year ended December 31, 2024, the Company has paid \$ 69,600 on this lease.

Coastal Pride leased approximately 1,100 square feet of office space in Beaufort, South Carolina which consists of a lease with a related party for \$ 1,000 per month that expires in October 2024. In August 2024, the lease was terminated as of August 31, 2024. For the year ended December 31, 2024, Coastal Pride paid \$8,000 on the lease.

Coastal Pride also leased a 9,050 square foot facility for \$1,000 per month from Gault for its soft-shell crab operations in Beaufort, South Carolina under a one-year lease that expired in February 2023. On February 3, 2023, the lease was renewed for \$ 1,500 per month until February 2024. On February 3, 2024, the Coastal Pride entered into a verbal month-to-month lease agreement with Gault for \$1,500 per month.

The offices and facility of TOBC are located in Nanaimo, British Columbia, Canada and are on land which was leased to TOBC for approximately \$ 2,500 per month plus taxes, from Steve and Janet Atkinson, the former TOBC owners. On April 1, 2022, TOBC entered into a new five-year lease with Steve and Janet Atkinson for CAD\$2,590 per month plus taxes, and an additional five-year lease with Kathryn Atkinson for CAD\$2,370 per month plus. Both leases are renewable for two additional five-year terms.

On July 16, 2024, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia (the "Court") against their landlords Steven Atkinson, Kathryn Atkinson and Janet Atkinson (the "Landlords") requesting a declaration that their commercial lease located at 2904 and 2934 Jameson Road, Nanaimo, B.C. V9R 6W8 dated April 1, 2022 by and between TOBC and their Landlords is a valid lease and remains in full force and effect. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

Rental and equipment lease expenses were approximately \$ 146,400 and \$166,000 for the years ended December 31, 2024 and 2023, respectively.

Note 13. Employee Benefit Plan

The Company provides and sponsors a 401(k) plan for its employees. For the years ended December 31, 2024 and 2023, no contributions were made to the plan by the Company.

Note 14. Subsequent Events

Shares issuances

On January 13, 2025 and February 25, 2025, the Company issued an aggregate of 750,000 shares of common stock to Quick Capital as partial conversion of \$57,673 principal pursuant to the convertible promissory note.

On January 14, 2025, the Company issued 480,000 shares of common stock to each of Nubar Herian and John Keeler, 960,000 shares of common stock to each of Timothy McLellan and Trond Ringstad, and 1,440,000 shares of common stock to Jeffrey Guzy, for serving as directors of the Company.

On January 17, 2025 and February 25, 2025, the Company issued an aggregate of 406,484 shares of common stock to Jefferson as partial conversion of \$33,333 principal and accrued interest pursuant to the convertible promissory note.

On January 1, 2025 and March 1, 2025, the Company issued an aggregate of 302,762 shares of common stock, to the designee of ClearThink Capital for consulting services provided to the Company.

On March 11, 2025, the Company issued 350,000 shares of common stock in consideration of proceeds of \$ 19,950 pursuant to a securities purchase agreement, dated May 16, 2023 with ClearThink.

On March 12, 2025, the Company issued 288,101 shares of common stock to Diagonal as partial conversion of \$ 15,000 principal pursuant to the convertible promissory note.

Note issuances

On January 28, 2025, pursuant to a securities purchase agreement, the Company issued to Diagonal a convertible promissory note in the principal amount of \$149,650 with an original issue discount of \$19,650 (the "January Diagonal Note"). The January Diagonal Note has a one-time interest payment of \$19,454 paid upon issuance and a maturity date of October 30, 2025. Upon the occurrence of an event of default as described in the January Diagonal Note, the note will become immediately due and payable at a default interest rate of 22% of the then outstanding principal amount of the note. The January Diagonal Note has an initial payment of \$109,918 due on July 30, 2025, with monthly payments of \$19,728 due on the 30th of every month thereafter until October 30, 2025.

On January 28, 2025, the Company entered into a subordinated business loan and security agreement with Agile and Agile Capital as collateral agent, which provides for a term loan to the Company in the amount of \$420,000 which principal and interest (of \$176,400) is due on August 15, 2025. Commencing February 7, 2025, the Company is required to make weekly payments of \$21,300 until the due date.

British Columbia Lawsuit

On January 17, 2025, the Company, through TOBC, filed a lawsuit in the Supreme Court of British Columbia against Harold Steven Atkinson, Janet Atkinson and Ben Atkinson (the "Defendants") for breach of contract, tort of intentional interference with economic relations, breach of confidentiality and non-compete, breach of trust, breach of fiduciary duty, defamation, breach of duty of honest performance and good faith, and damages. The Company claims that Harold Steven Atkinson purposely hid the renewal process of the Fisheries and Oceans Canada – Freshwater / Land-based Aquaculture License (the "License") and placed the License in his personal name when it should be in the name of TOBC. The License is required to operate the aquaculture farm, including the transfer of eggs and fingerlings to its facilities. The Company cannot provide any assurance as to the timing of resolution or outcome of this matter.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of December 31, 2024, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding

required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that our receipts and expenditures are being made only in accordance with authorizations of our management and board of directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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Our management assessed the effectiveness of our internal control over financial reporting, existing as of December 31, 2024, based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and SEC guidance on conducting such assessments. Based on that evaluation, we believe that, during the period covered by this Report, such internal controls and procedures were not effective due to the following material weaknesses identified:

- inadequate control over the monitoring of inventory maintained in the Company's third-party warehouse;
- ineffective controls over the Company's financial close and reporting process;
- inadequate segregation of duties consistent with control objectives, including lack of personnel resources and technical accounting expertise within the accounting function of the Company, and
- inadequate design and implementation of controls over related party transactions.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we plan to further initiate the following measures, subject to the availability of required resources:

- We plan to create an internal control framework that will address financial close and reporting process, among other procedures; and
- We plan to create a position to segregate duties consistent with control objectives and hire personnel resources with technical accounting expertise within the accounting function.

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Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our registered public accounting firm regarding our internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that exempt smaller reporting companies from this requirement.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our fourth quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

Below are the names of and certain information regarding the Company's current executive officers and directors:

Name	Age	Position	Date Appointed
John Keeler	54	Executive Chairman and Chief Executive Officer	November 8, 2018
Nubar Herian	55	Director	November 8, 2018

Jeffrey J. Guzy	73	Director	April 12, 2021
Timothy McLellan	68	Director	April 12, 2021
Trond Ringstad	57	Director	April 12, 2021

Our directors hold office for three-year terms and until their successors have been elected and qualified. Our officers are elected by the board of directors and serve at the discretion of the board of directors.

The principal occupation and business experience during the past five years for our executive officer and directors is as follows:

John Keeler has been Executive Chairman of the Board since the effectiveness of the Merger. Mr. Keeler founded John Keeler & Co., d/b/a Blue Star Foods in May 1995 and served as its Executive Chairman of the Board since inception during which time he grew the company to become one of the leading marketers of imported blue swimming crab meat in the United States. Mr. Keeler built sales over the past 20 years to \$35+ million annually through 2017. Mr. Keeler oversees procurement as well as operating facilities in the Philippines and Indonesia. Mr. Keeler is an executive committee member of the National Fisheries Institute-Crab Council and a founding member of the Indonesia and Philippines crab meat processors associations. Mr. Keeler received his BS in Economics from Rutgers University in 1995 and attended Harvard Business School executive programs in supply chain management, negotiations and marketing in 2005. Mr. Keeler's extensive experience in the industry led to the decision to appoint him to the board of directors.

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Nubar Herian has been a director since the effectiveness of the Merger. Since 2014, Mr. Herian has been the chief executive officer of Monaco Group Holdings, a privately-held company headquartered in Miami, Florida, which owns and operates Monaco Foods, Inc., an importer, exporter and distributor of premium gourmet foods from around the world. Since 1995, Mr. Herian has been the commercial director of Casa de Fruta Caracas, a privately-held company based in Caracas, Venezuela, that focuses on importing foods. Mr. Herian is also the president of Lunar Enterprises, Corp. ("Lunar"), a holding company for his family's public and private equity investments and real estate holdings. Mr. Herian received his BS in Mechanical Engineering from Florida Atlantic University in 1994 and an Executive M.B.A. from the University of Miami in 2014. Mr. Herian's experience in the food import industry led to the decision to appoint him to the board of directors.

Jeffrey J. Guzy has served as a director of Leatt Corp. (OTC: LEAT), since April 2007 and from October 2007 to August 2010, as its President. Mr. Guzy has served as an independent director and chairman of the audit committee of Capstone Companies, Inc. (OTC: CAPC), a public holding company, since April 2007, as an independent director and chairman of the audit committee of Purebase Corporation (OTC: PUBC), a diversified resource company, since April 2020 and as Chairman of CoJax Oil and Gas Corporation, an early stage oil and gas exploration and production company, since May 2018, and was appointed as its chief executive officer in January 2020. Mr. Guzy has served as an executive manager or consultant for business development, sales, customer service, and management in the telecommunications industry, specifically, with IBM Corp., Sprint International, Bell Atlantic Video Services, Loral CyberStar, and FacilCom International. Mr. Guzy has also started his own telecommunications company providing Internet services in Western Africa. Mr. Guzy has an MBA in Strategic Planning and Management from The Wharton School of the University of Pennsylvania, an M.S. in Systems Engineering from the University of Pennsylvania, a B.S. in Electrical Engineering from Penn State University, and a Certificate in Theology from Georgetown University. Mr. Guzy's extensive public company board experience led to the decision to appoint him to the board of directors.

Timothy McLellan has more than 35 years of operating experience and has served as a seafood executive in both the U.S. and Asia. Mr. McLellan is currently managing director of Maijialin Consulting Company Ltd. which provides international business development consulting services specific to import/export cold chain supply logistics and foodservice distribution. Prior thereto from April 2009 until February 2019, Mr. McLellan was managing director, business development for Preferred Freezer Services (Shanghai) Co. Ltd, which is owned by the GLP Group, a Singapore-based logistics and industrial infrastructure provider. Between 2019 and 2020, Mr. McLellan served as a private equity operating partner for CITIC Capital Partners (Shanghai) Ltd. Prior to that, from 2009 through 2019, Mr. McLellan served in various executive capacities, including Chairman for SinotransPFS Cold Chain Logistics Company, Ltd., a logistics company. Between 2004 and 2009, Mr. McLellan served as President of Empress International, a division of Thai Union Group). Between 2003 and 2004, he served in a senior manager position with the seafood division of ConAgra Foods. Mr. McLellan's knowledge and background with regard to seafood operations management led to the decision to appoint him to the board of directors.

Trond Ringstad has more than 20 years of operating experience as a seafood executive in both the U.S. and Europe. Since April 2017, Mr. Ringstad has been managing partner of American Sea, LLC, a seafood processing and sales company, and since October 2013, Mr. Ringstad has been an independent consultant for AGR Partners. Between 2003 and 2007, Mr. Ringstad served as president of Pacific Supreme Seafoods, a global importing and wholesaling seafood company. Between 2001 and 2003, he served as vice president of sales and marketing for Royal Supreme Seafoods, a Norwegian / Chinese seafood importer and sales company. Mr. Ringstad graduated from the BI Norwegian Business School with a Degree in International Marketing and has a BA in Business Management from Washington State University. Mr. Ringstad's knowledge and background with regard to seafood operations management led to the decision to appoint him to the board of directors.

Committees

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

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Audit Committee. Our audit committee consists of Jeffrey Guzy, Trond Ringstad and Timothy McLellan. Mr. Guzy is the chairman of the audit committee. We have determined that Messrs. Guzy, Ringstad and McLellan each satisfy the "independence" requirements of NASDAQ Listing Rule 5605(a)(2) and meets the independence standards under Rule 10A-3 under the Exchange Act. We have determined that Mr. Guzy qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for: (a) representing and assisting the Board in its oversight responsibilities regarding the Company's accounting and financial reporting processes, the audits of the Company's financial statements, including the integrity of the financial statements, and the independent auditors' qualifications and independence; (b) overseeing the preparation of the report required by SEC rules for inclusion in the Company's annual proxy statement; (c) retaining and terminating the Company's independent auditors; (d) approving in advance all audit and permissible non-audit services to be performed by the independent auditors; (e) reviewing related person transactions; (d) approving in advance all audit and permissible non-audit services to be performed by the independent auditors; and (f) performing such other functions as the Board may from time to time assign to the Committee.

Compensation Committee. Our compensation committee consists of Jeffrey Guzy, Trond Ringstad and Timothy McLellan. Mr. Guzy is the chairman of our compensation committee. We have determined that Messrs. Guzy, Ringstad and McLellan each are "independent," as such term is defined for directors and compensation committee members in the listing standards of the NASDAQ Stock Market LLC. Additionally, each qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code. The Committee has been established to: (a) assist the Board in seeing that a proper system of long-term and short-term compensation is

in place to provide performance oriented incentives to attract and retain management, and that compensation plans are appropriate and competitive and properly reflect the objectives and performance of management and the Company; (b) assist the Board in discharging its responsibilities relating to compensation of the Company's executive officers; (c) evaluate the Company's Chief Executive Officer and set his or her remuneration package; (d) make recommendations to the Board with respect to incentive compensation plans and equity-based plans; and (e) perform such other functions as the Board may from time to time assign to the Committee.

In determining the amount, form, and terms of such compensation, the Compensation Committee will consider the annual performance of such officers in light of company goals and objectives relevant to executive officer compensation, competitive market data pertaining to executive officer compensation at comparable companies, and such other factors as it deems relevant, and is guided by, and seeks to promote, the best interests of the Company and its shareholders.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Jeffrey Guzy, Trond Ringstad and Timothy McLellan. Mr. Guzy is the chairman of our nominating and corporate governance. We have determined that each of Messrs. Guzy, Ringstad and McLellan qualify as "independent" as that term is defined by NASDAQ Listing Rule 5605(a)(2). The Committee is responsible for: (a) assisting the Board in determining the desired experience, mix of skills and other qualities to provide for appropriate Board composition, taking into account the current Board members and the specific needs of the Company and the Board; (b) identifying qualified individuals meeting those criteria to serve on the Board; (c) proposing to the Board the Company's slate of director nominees for election by the shareholders at the Annual Meeting of Shareholders and nominees to fill vacancies and newly created directorships; (d) reviewing candidates recommended by shareholders for election to the Board and shareholder proposals submitted for inclusion in the Company's proxy materials; (e) advising the Board regarding the size and composition of the Board and its committees; (f) proposing to the Board directors to serve as chairpersons and members on committees of the Board; (g) coordinating matters among committees of the Board; (h) proposing to the Board the slate of corporate officers of the Company and reviewing the succession plans for the executive officers; (i) recommending to the Board and monitoring matters with respect to governance of the Company; and (j) overseeing the Company's compliance program; and performing such other functions as the Board may from time to time assign to the Committee.

The Nominating Committee will consider any director candidates recommended by stockholders, although there is no formal policy with regard to directors recommended by stockholders, when considering a candidate submitted by stockholders, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. Nevertheless, the Board may choose not to consider an unsolicited recommendation if no vacancy exists on the Board and/or the Board does not perceive a need to increase the size of the Board.

There are no specific minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended director nominee. However, the Nominating Committee believes that director candidates should, among other things, possess high degrees of integrity and honesty; have literacy in financial and business matters; have no material affiliations with direct competitors, suppliers or vendors of the Company; and preferably have experience in the Company's business and other relevant business fields (for example, finance, accounting, law and banking). The Nominating Committee considers diversity together with the other factors considered when evaluating candidates but does not have a specific policy in place with respect to diversity.

Members of the Nominating Committee plan to meet in advance of each of the Company's annual meetings of stockholders to identify and evaluate the skills and characteristics of each director candidate for nomination for election as a director of the Company. The Nominating Committee reviews the candidates in accordance with the skills and qualifications set forth in the Nominating Committee's charter and the rules of the Nasdaq. There are no differences in the manner in which the Nominating Committee plans to evaluate director nominees based on whether or not the nominee is recommended by a stockholder.

Each Committee has adopted a formal written charter which is available on the Company's website at www.bluestarfoods.com.

Role of Board in Risk Oversight Process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings and conducts strategic planning and review sessions during the year that include a discussion and analysis of the risks facing us.

Director Independence

Our board of directors currently consists of five members. We were not subject to listing requirements of any national securities exchange that has requirements that a majority of the board of directors be "independent."

Board Diversity

The board of directors' reviews, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity;
- ethics and values;
- experience in the industries in which we compete;
- experience as a director or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical business judgment.

The board of directors reviews on an annual basis the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity;
- ethics and values;
- experience in the industries in which we compete;
- experience as a director or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical business judgment.

The entire Board participates in the nomination and audit oversight processes and considers executive and director compensation. Given the size of the Company and its stage of development, the entire Board is involved in such decision-making processes. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executive officers or directors.

Family Relationships

There are no family relationships between our directors or executive officers.

Involvement in Certain Legal Proceedings

There are no legal proceedings that have occurred within the past ten years concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who beneficially own more than 10% percent of our equity securities ("Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Based solely on our review of copies of such reports and representations from the Reporting Persons, we believe that during the year ended December 31, 2024, all of the Reporting Persons timely filed all such reports.

Code of Ethics

We have adopted a code of ethics that applies to our executive officers, directors and employees. We have filed a copy of our Code of Ethics as an exhibit to this Annual Report. Our Code of Ethics and the charters of the committees of our board of directors are available on our website www.bluestarfoods.com. In addition, a copy of the Code of Ethics will be provided without charge upon request from us.

Insider Trading Policy

Our Insider Trading Policy governs the purchase, sale, trade, and other dispositions of our securities by our officers, directors, and employees, to promote compliance with the insider trading laws, rules and regulations and listing standards applicable to us.

Change in Procedures for Recommending Directors

There have been no material changes to the procedures by which our stockholders may recommend nominees to our Board of Directors from those procedures set forth in our Proxy Statement for our 2024 Annual Meeting of Stockholders, filed with the SEC on November 12, 2024.

ITEM 11. EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

The table below sets forth certain information about the compensation awarded to, earned by or paid to our Chief Executive Officer and our other two most highly compensated executive officers whose total compensation exceeded \$100,000 during 2024 (each, a "Named Executive Officer").

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock awards (\$)	Option awards \$(1)	All other compensation (\$)	Total (\$)
John Keeler - Executive Chairman and Chief Executive Officer and Director	2024	76,878	60,000(5)	-	49,730(3)	186,608
	2023	76,878	500(2)	-	43,831(3)	121,209
Silvia Alana - Former Chief Financial Officer and Director	2024	66,000	-	-	2,500(3)	68,500
	2023	147,000	25,000(2)	12,261(4)	5,700(3)	189,961
Miozotis Ponce - Chief Operating Officer	2024	155,925	-	-	6,000(3)	161,925
	2023	166,000	-	-	5,700(3)	171,700

(1) All option grants are calculated at the grant date fair value computed in accordance with FASB ASC Topic 718.

(2) Represents 3,472 shares of common stock at \$7.00 per share issued on December 31, 2023.

(3) Represents health insurance premiums paid by the Company on behalf of such officer.

(4) Represents an option to purchase 864 shares of common stock at \$40.00 per share granted on December 31, 2023.

(5) Represents 480,000 shares of common stock at \$0.125 per share accrued for as of December 31, 2024.

We offer a 401(k) plan to eligible employees, including our executive officer. In accordance with this plan, all eligible employees may contribute a percentage of compensation up to a maximum of the statutory limits per year. We intend for the 401(k) plan to qualify, depending on the employee's election, under Section 401(a) of the Code, so that contributions by employees, and income earned on those contributions, are not taxable to employees until withdrawn from the 401(k) plan.

Employment Agreements

We do not currently have employment agreements in effect with our executive officers.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2024

Outstanding Equity Awards

The table below reflects all equity awards made to each Named Executive Officer that were outstanding on December 31, 2024.

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
John Keeler	4/20/22	25(1)	-	2,000.00	4/20/27
	4/12/21	100(2)	-	2,000.00	4/12/24
Miozotis Ponce	1/15/19	250(3)	-(3)	2,000.00	1/14/29

(1) Shares subject to the option vest in equal quarterly installments of 1 shares for the term of the option.

(2) Shares subject to the option vest in equal quarterly installments of 25 shares during the first year of the grant.

(3) Shares subject to the option vest as to 50 shares on each of January 15, 2020, January 15, 2021, January 15, 2022, January 15, 2023 and January 15, 2024.

2018 Equity Incentive Award Plan

In connection with the Merger, we adopted the 2018 Equity Incentive Award Plan (the "2018 Plan"), which was effective immediately prior to the consummation of the Merger. The principal purpose of the 2018 Plan is to attract, retain and motivate selected employees, consultants and non-employee directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Under the 2018 Plan, we are authorized to issue incentive stock options intended to qualify under Section 422 of the Code and non-qualified stock options. The 2018 Plan is administered by our board of directors. In connection with the Merger, we issued options to purchase an aggregate of 6,240 shares of common stock to certain executive officers and directors (3,120 of which were subsequently forfeited unexercised).

Share Reserve. 7,500,000 shares of common stock are reserved for issuance under the 2018 Plan pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights ("SARs"), restricted stock awards, restricted stock unit awards, deferred stock awards, dividend equivalent awards, stock payment awards, performance awards and other stock-based awards.

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2018 Plan;

- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2018 Plan, such tendered or withheld shares will be available for future grants under the 2018 Plan;

- to the extent that shares of common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2018 Plan;

- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the 2018 Plan; and

- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2018 Plan.

Administration. The compensation committee is expected to administer the 2018 Plan unless our board of directors assumes authority for administration. The compensation committee must consist of at least three members of our board of directors, each of whom is intended to qualify as an "outside director," within the meaning of Section 162(m) of the Code, a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the NASDAQ rules. The 2018 Plan provides that the board of directors or compensation committee may delegate its authority to grant awards to employees other than executive officers to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the 2018 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2018 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2018 Plan. Our board of directors may at any time remove the compensation committee as the administrator and re-vest in itself the authority to administer the 2018 Plan. The full board of directors will administer the 2018 Plan with respect to awards to non-employee directors.

Eligibility. Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2018 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of subsidiaries. Such awards also may be granted to our directors. Only employees of the Company or certain subsidiaries may be granted ISOs.

Awards. The 2018 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock awards, restricted stock unit awards, deferred stock awards, deferred stock unit awards, dividend equivalent awards, performance awards, stock payment awards and other stock-based and cash-based awards, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

Nonstatutory Stock Options ("NSOs"). NSOs will provide for the right to purchase shares of common stock at a specified price that may not be less than the fair market value of a share of common stock on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed 10 years.

Incentive Stock Options ("ISOs"). ISOs will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of our Common Stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of 10 years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2018 Plan provides that the exercise price must be at least 110% of the fair market value of a share of our Common Stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.

Restricted Stock Awards. Restricted stock awards may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse; however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.

Restricted Stock Unit Awards ("RSU"). Restricted stock units may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.

Deferred Stock Awards. Deferred stock awards represent the right to receive shares of common stock on a future date. Deferred stock may not be sold or otherwise hypothecated or transferred until issued. Deferred stock will not be issued until the deferred stock award has vested, and recipients of deferred stock generally will have no voting or dividend rights prior to the time when the vesting conditions are satisfied and the shares are issued. Deferred stock awards generally will be forfeited, and the underlying shares of deferred stock will not be issued, if the applicable vesting conditions and other restrictions are not met.

Deferred Stock Units. Deferred stock units are denominated in unit equivalent of shares of common stock and vest pursuant to a vesting schedule or performance criteria set by the administrator. The common stock underlying deferred stock units will not be issued until the deferred stock units have vested, and recipients of deferred stock units generally will have no voting rights prior to the time when vesting conditions are satisfied.

Stock Appreciation Rights ("SARs"). SARs may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our Common Stock over a set exercise price. The exercise price of any SAR granted under the 2018 Plan must be at least 100% of the fair market value of a share of our Common Stock on the date of grant. Except as required by Section 162(m) of the Code with respect to a SAR intended to qualify as performance-based compensation as described in Section 162(m) of the Code, there are no restrictions specified in the 2018 Plan on the exercise of SARs or the amount of gain realizable therefrom, although restrictions may be imposed by the administrator in the SAR agreements. SARs under the 2018 Plan will be settled in cash or shares of common stock, or in a combination of both, at the election of the administrator.

Dividend Equivalent Awards. Dividend equivalent awards represent the value of the dividends, if any, per share paid by us, calculated with reference to the number of shares covered by the award. Dividend equivalents may be settled in cash or shares and at such times as determined by our compensation committee or board of directors, as applicable.

Performance Awards. Performance awards may be granted by the administrator on an individual or group basis. Generally, these awards will be based upon specific performance targets and may be paid in cash or in common stock or in a combination of both. Performance awards may include "phantom" stock awards that provide for payments based upon the value of our Common Stock. Performance awards may also include bonuses that may be granted by the administrator on an individual or group basis and that may be payable in cash or in common stock or in a combination of both.

Stock Payment Awards. Stock payment awards may be authorized by the administrator in the form of common stock or an option or other right to purchase common stock as part of a deferred compensation or other arrangement in lieu of all or any part of compensation, including bonuses, that would otherwise be payable in cash to the employee, consultant or non-employee director.

Change in Control. In the event of a change in control where the acquirer does not assume or replace awards granted prior to the consummation of such transaction, awards issued under the 2018 Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. Performance awards will vest in accordance with the terms and conditions of the applicable award agreement. In the event that, within the 12 month period immediately following a change in control, a participant's services with us are terminated by us other than for cause (as defined in the 2018 Plan) or by such participant for good reason (as defined in the 2018 Plan), then the vesting and, if applicable, exercisability of 100% of the then-unvested shares subject to the outstanding equity awards held by such participant under the 2018 Plan will accelerate effective as of the date of such termination. The administrator may also make appropriate adjustments to awards under the 2018 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions. Under the 2018 Plan, a change in control is generally defined as:

- the transfer or exchange in a single transaction or series of related transactions by our stockholders of more than 50% of our voting stock to a person or group;
- a change in the composition of our board of directors over a two-year period such that the members of the board of directors who were approved by at least two-thirds of the directors who were directors at the beginning of the two-year period or whose election or nomination was so approved cease to constitute a majority of the board of directors;
- a merger, consolidation, reorganization or business combination in which we are involved, directly or indirectly, other than a merger, consolidation, reorganization or business combination that results in our outstanding voting securities immediately before the transaction continuing to represent a majority of the voting power of the acquiring company's outstanding voting securities and after which no person or group beneficially owns 50% or more of the outstanding voting securities of the surviving entity immediately after the transaction; or
- stockholder approval of our liquidation or dissolution.

Adjustments of Awards. In the event of any stock dividend, stock split, spin-off, recapitalization, distribution of our assets to stockholders (other than normal cash dividends) or any other corporate event affecting the number of outstanding shares of our Common Stock or the share price of our Common Stock other than an "equity restructuring" (as defined below), the administrator may make appropriate, proportionate adjustments to reflect the event giving rise to the need for such adjustments, with respect to:

- the aggregate number and type of shares subject to the 2018 Plan;
- the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and
- the grant or exercise price per share of any outstanding awards under the 2018 Plan.

In the event of one of the adjustments described above or other corporate transactions, in order to prevent dilution or enlargement of the potential benefits intended to be made available under the 2018 Plan, the administrator has the discretion to make such equitable adjustments and may also:

- provide for the termination or replacement of an award in exchange for cash or other property;
- provide that any outstanding award cannot vest, be exercised or become payable after such event;
- provide that awards may be exercisable, payable or fully vested as to shares of common stock covered thereby; or
- provide that an award under the 2018 Plan cannot vest, be exercised or become payable after such event.

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In the event of an equity restructuring, the administrator will make appropriate, proportionate adjustments to the number and type of securities subject to each outstanding award and the exercise price or grant price thereof, if applicable. In addition, the administrator will make equitable adjustments, as the administrator in its discretion may deem appropriate to reflect such equity restructuring, with respect to the aggregate number and type of shares subject to the 2018 Plan. The adjustments upon an equity restructuring are nondiscretionary and will be final and binding on the affected holders and the Company.

For purposes of the 2018 Plan, "equity restructuring" means a nonreciprocal transaction between us and our stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of shares (or other securities) or the share price of our Common Stock (or other securities) and causes a change in the per share value of the common stock underlying outstanding stock-based awards granted under the 2018 Plan. In the event of a stock split in connection with an offering, the administrator will proportionately adjust (i) the number of shares subject to any outstanding award under the 2018 Plan, (ii) the exercise or grant price of any such awards, if applicable, and (iii) the aggregate number of shares subject to the 2018 Plan.

Amendment and Termination. Our board of directors or the compensation committee (with board approval) may terminate, amend or modify the 2018 Plan at any time and from time to time. However, we must generally obtain stockholder approval:

- to increase the number of shares available under the 2018 Plan (other than in connection with certain corporate events, as described above);
- reduce the price per share of any outstanding option or SAR granted under the 2018 Plan;
- cancel any option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares; or
- to the extent required by applicable law, rule or regulation (including any NASDAQ rule).

Termination. Our board of directors may terminate the 2018 Plan at any time. No ISOs may be granted pursuant to the 2018 Plan after the 10th anniversary of the effective date of the 2018 Plan, and no additional annual share increases to the 2018 Plan's aggregate share limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the 2018 Plan will remain in force according to the terms of the 2018 Plan and the applicable award agreement.

Director Compensation

The following table sets forth certain information concerning compensation earned by the Company's non-employee directors for services rendered as a director during the year ended December 31, 2024:

Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Nubar Herian	\$ -	\$ 60,000	\$ -	-	-	-	\$ 60,000
Jeffrey Guzy	\$ -	\$ 180,000	\$ -	-	-	-	\$ 180,000
Timothy McLellan	\$ -	\$ 120,000	\$ -	-	-	-	\$ 120,000
Trond Ringstad	\$ -	\$ 120,000	\$ -	-	-	-	\$ 120,000

(1) The aggregate grant date fair value is computed in accordance with FASB ASC Topic 718.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of June 20, 2025, the number of shares of common stock beneficially owned by (i) each person, entity or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) known to the Company to be the beneficial owner of more than 5% of its

outstanding shares of common stock; (ii) each of the Company's directors (iii) each Named Executive Officer and (iv) all of the Company's executive officers and directors as a group. The information relating to beneficial ownership of Common Stock by our principal stockholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person directly or indirectly has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to dispose or direct the disposition of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary interest. Unless otherwise indicated below, each person has sole voting and investment power with respect to the shares beneficially owned and each stockholder's address is c/o Blue Star Foods Corp., 3000 NW 109th Avenue, Miami, Florida 33172.

The percentages below are calculated based on 16,254,721 shares of common stock issued and outstanding as of June 20, 2025.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership
5% or Greater Stockholder		
John Keeler Real Estate Holdings (1) 3000 NW 109th Avenue Miami, Florida 33172	79,167	*0%
Named Executive Officers and Directors		
John Keeler	498,489(2)	3.0%
Jeffrey Guzy	1,448,176(3)	8.9%
Nubar Herian	484,508(4)	3.0
Timothy McLellan	965,684(4)	5.9
Trond Ringstad	965,689(4)	5.9
Miozotis Ponce	251(5)	*
All current directors and executive officers as a group (6 persons)	4,362,796	26.7%

* Less than 1%

- (1) John R. Keeler III, Sarah Keeler and Andrea Keeler, trust beneficiaries of John Keeler Real Estate Holdings, Inc. ("Holdings") have voting and dispositive power over the shares held by Holdings.
- (2) 498,476 of such shares are held with Mr. Keeler's wife as tenants in the entirety and are subject to the terms of a lock-up agreement pursuant to which Mr. Keeler may not sell more than one-third of the common stock held by him in any two-month period. Includes 13 shares underlying a stock option which are exercisable within 60 days.
- (3) Includes 13 shares underlying stock options exercisable within 60 days.
- (4) Includes 13 shares underlying stock options which are exercisable within 60 days.
- (5) Includes 250 shares underlying stock options which are exercisable within 60 days.

Change-in-Control Agreements

The Company does not have any change-in-control agreements with any of its executive officers.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The following is a description of transactions since January 1, 2024 to which we have been a party, in which the amount involved exceeded or will exceed \$120,000, and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

From January 2006 through May 2017, Keeler & Co issued an aggregate of \$2,910,000, 6% demand promissory notes to John Keeler, our Chief Executive Officer, Executive Chairman and a director. We may prepay the notes at any time first against interest due thereunder. If an event of default occurs under the notes, interest will accrue at 18% per annum and if not paid within 10 days of payment becoming due, the holder of the note is entitled to a late fee of 5% of the amount of payment not timely received. On December 30, 2020, we entered into a debt repayment agreement with Mr. Keeler pursuant to which we issued 796,650 shares of common stock to a third party designated by Mr. Keeler as repayment for an aggregate principal amount of \$1,593,300 due under four such notes. All interest due on the notes had previously been paid on a monthly basis. On December 31, 2023, the Company issued an aggregate of 3,958,333 shares of common stock to John Keeler's designee in lieu of payment of \$570,000 of the principal outstanding promissory notes held by Mr. Keeler. As of December 31, 2024, the Company no longer remained indebted to Mr. Keeler as the promissory note was paid-off.

John Keeler, our Chief Executive Officer, Executive Chairman and director owns 95% of Bacolod, an exporter of pasteurized crab meat from the Philippines.

John Keeler, our Chief Executive Officer, Executive Chairman and director, owns 95% of Bicol, a Philippine company, and an indirect supplier of crab meat via Bacolod to the Company.

There were no transactions between the Company and Bicol for the years ended December 31, 2024 and 2023. From time to time, we may prepay Bacolod for future shipments of product which may represent five to six months of purchases. There was \$1,299,984 due as of December 31, 2024 for future shipments from Bacolod and an allowance was recorded for this amount.

John Keeler, our Chief Executive Officer, Executive Chairman and director, and Christopher Constable, our former Chief Financial Officer and director, own 80% and 20%, respectively, of Strike the Gold Foods, Ltd., a UK company, which sold the Company's packaged crab meat in the United Kingdom in 2019.

On February 25, 2020, Christopher Constable, the Company's former Chief Financial Officer entered into a Separation and Mutual Release Agreement pursuant to which Mr. Constable resigned as Chief Financial Officer, Secretary, Treasurer and a director of the Company. The Agreement contained mutual general releases, a two-year confidentiality provision and provides for Mr. Constable's outstanding stock options to remain in effect until November 8, 2028.

On December 19, 2022, the Company entered into new one-year director service agreements (which replaced the agreements entered into in April 2022) with each of the current members of the Board. The agreement will automatically renew for successive one-year terms unless either party notifies the other of its desire not to renew the agreement at least 30 days prior to the end of the then current term, or unless earlier terminated in accordance with the terms of the agreement. As compensation for serving on the Board, each director will be entitled to a \$60,000 annual stock grant and for serving

on a committee of the Board, an additional \$20,000 annual stock grant, both based upon the closing sales price of the Common Stock on the last trading day of the calendar year. Each director who serves as chairman of the Audit Committee, Compensation Committee and Nominating and Governance Committee will be entitled to an additional \$50,000, \$40,000 and \$30,000 annual stock grant, respectively.

As of December 31, 2024, the Company had outstanding advances of \$72,300 to Sustainable Seafood Philippines, a related party, in connection with the planned acquisition of Bacolod's assets, which will be carried out by Sustainable Seafood Philippines. The Company recorded a full valuation allowance on these advances due to uncertainty regarding collectability.

During the year ended December 31, 2024, the Company processed payments of \$37,500 to Strike the Gold, a related party. These payments were an addition to the existing long-term receivable of \$435,540 with Strike the Gold. The Company determined it appropriate to record an allowance for the full balance due from Strike the Gold. For the year ended December 31, 2024, the Company also sold inventory to Strike the Gold amounting \$210,354 which will be recognized only upon collection as collectability is not reasonably assured.

Director Independence

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system that has requirements that a majority of the board of directors be "independent." Our board of directors currently has six members, Jeffrey J. Guzy, Timothy McLellan, Trond Ringstad, John Keeler, Nubar Herian and Silvia Alana. We believe that all of our directors except Mr. Keeler who serves as our Executive Chairman, and Silvia Alana who serves as our Chief Executive Officer, are "independent" within the definition of independence provided in the Marketplace Rules of the Nasdaq Stock Market and the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed to us by our principal accountants, MaloneBailey, LLP, for professional services rendered for the year ended December 31, 2024 and 2023 are set forth below:

Fee Category	Year ended December 31, 2024	Year ended December 31, 2023
Audit fees (1)	\$ 299,260	\$ 221,800
Audit-related fees (2)	-	53,560
Tax fees (3)	-	-
All other fees (4)	-	-
Total fees	<u>\$ 299,260</u>	<u>\$ 275,360</u>

(1) Audit fees consist of fees incurred for professional services rendered for the audit of financial statements, for reviews of our interim consolidated financial statements included in our quarterly reports on Form 10-Q and for services that are normally provided in connection with statutory or regulatory filings or engagements.

(2) Audit-related fees consist of fees billed for professional services that are reasonably related to the performance of the audit or review of our financial statements but are not reported under "Audit fees."

(3) Tax fees consist of fees billed for professional services relating to tax compliance, tax planning, and tax advice.

(4) All other fees consist of fees billed for services not associated with audit or tax.

Audit Committee's Pre-Approval Practice

Prior to our engagement of our independent auditor, such engagement was approved by our board of directors. The services provided under this engagement may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Pursuant our requirements, the independent auditors and management are required to report to our board of directors at least quarterly regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. Our board of directors may also pre-approve particular services on a case-by-case basis. All audit-related fees, tax fees and other fees incurred by us were approved by our board of directors.

Pre-Approval of Audit and Permissible Non-Audit Services

The Company's Audit Committee approves our audit and non-audit services. The auditors engaged for these services are required to provide and uphold estimates for the cost of services to be rendered. The percentage of hours expended on Malone Bailey's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description
1.1	Underwriting Agreement, dated November 2, 2021 (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2021)
2.1	Agreement and Plan of Merger, dated as of November 8, 2018, by and among the Company, Blue Star, Acquisition Sub and John Keeler (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on November 14, 2018)

- 2.2 [Articles of Merger between Blue Star and Acquisition Sub \(incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on November 14, 2018\)](#)
- 3.1 [Amended and Restated Certificate of Incorporation \(incorporated by reference to Exhibit 3.3 to the Company's Form 10/A filed with the SEC on May 17, 2018\)](#)
- 3.2 [Amended and Restated By-Laws \(incorporated by reference to Exhibit 3.4 to the Company's Form 10/A filed with the SEC on May 17, 2018\)](#)
- 3.3 [Certificate of Amendment, dated November 5, 2018 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 9, 2018\)](#)
- 3.4 [Certificate of Designation of 8% Series A Convertible Preferred Stock incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on November 9, 2018\)](#)
- 4.1 [Form of Promissory Note with TOBC \(incorporated by reference to 4.1 to the Company's Current Report on Form 8-K filed with the SEC on June 30, 2021\)](#)
- 4.2 [Description of Securities \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on April 15, 2021\)](#)
- 4.3 [Form of Underwriters Warrant, issued November 5, 2021 \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2021\)](#)
- 4.4 [\\$5,750,000 Senior Secured Convertible Promissory Note, dated January 24, 2022, issued to Lind Global Fund II LP \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on January 28, 2022\)](#)
- 4.5 [Form of Warrant Agent Agreement \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 15, 2023\)](#)
- 4.6 [Subordinated Secured Promissory Note, dated January 2, 2024, issued to Agile Lending, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 28, 2023\)](#)
- 10.1 [Form of Subscription Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.2 [Form of Amendment to Subscription Agreement \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)

- 10.3 [Form of Warrant \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.4 [Form of Registration Rights Agreement \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.5 [Form of Settlement Agreement and Mutual General Release \(incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.6 [Forms of Lockup Agreement for Pre-Merger Stockholders and Officers and Directors \(incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.7 [Form of Redemption Agreement \(incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.8 [2018 Incentive Stock Option Plan \(incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.9 [Form of Stock Option Agreement \(incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K, dated November 8, 2018\)](#)
- 10.10 [Loan and Security Agreement filed with the SEC on August 31, 2016 between the Company and ACF \(incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K, dated November 8, 2018\)](#)
- 10.11 [First Amendment to Loan and Security Agreement and Reservation of Rights, dated November 18, 2016, between the Company and ACF \(incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.12 [Second Amendment to Loan and Security Agreement, dated June 19, 2017, between the Company and ACF \(incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.13 [Third Amendment to Loan and Security Agreement, dated October 16, 2017, between the Company and ACF \(incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.14 [Fourth Amendment to Loan and Security Agreement, dated September 19, 2018, between the Company and ACF \(incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.15 [Fifth Amendment to Loan and Security Agreement, dated November 8, 2018, between the Company and ACF \(incorporated by reference to Exhibit 10.15 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
- 10.16 [\\$14,000,000 Revolving Credit Note, dated August 31, 2016 between the Company and ACF \(incorporated by reference to Exhibit 10.16 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)

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- 10.17 [Patent Security Agreement, dated August 31, 2016, between Blue Star and ACF FINCO LP \(incorporated by reference to Exhibit 10.17 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.18 [Lease Agreement, dated May 1, 2001, between Keeler & Co. and John Keeler Real Estate Holdings, Inc. \(incorporated by reference to Exhibit 10.18 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.19 [Master Software Development Agreement, dated February 6, 2017 between the Company and Claritus Management Pvt. Ltd. \(incorporated by reference to Exhibit 10.19 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.20 [\\$500,000 Demand Note, dated January 4, 2006 from Keeler & Co. in favor of John Keeler and Maria Keeler \(incorporated by reference to Exhibit 10.20 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.21 [\\$200,000 Demand Note, dated March 31, 2006 from Keeler & Co. in favor of John Keeler and Maria Keeler \(incorporated by reference to Exhibit 10.22 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.22 [\\$100,000 Demand Note, dated November 21, 2007, from Keeler & Co. in favor of John Keeler \(incorporated by reference to Exhibit 10.23 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.23 [\\$516,833.83 Demand Note, dated July 31, 2013 from Keeler & Co. in favor of John Keeler \(incorporated by reference to Exhibit 10.24 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2018\)](#)
 - 10.24 [Form of Subscription Agreement for February 1, 2019 offering \(incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2019\)](#)
 - 10.25 [\\$1,000,000 Promissory Note, dated March 26, 2019, issued to Kenar Overseas Corp. \(incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K, filed with the SEC on April 1, 2019\)](#)
 - 10.26 [\\$100,000 Promissory Note, dated January 1, 2021, issued to Lobo Holdings, LLLP \(incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2021\)](#)
 - 10.27 [Agreement and Plan of Merger and Reorganization, dated as of November 26, 2019, by and among John Keeler & Co., Inc., Coastal Pride Seafood, LLC, Coastal Pride Company, Inc., The Walter F. Lubkin, Jr. Irrevocable Trust dated 1/8/03, Walter F. Lubkin III, Tracy Lubkin Greco and John C. Lubkin \(incorporated by reference to Exhibit 10.29 to the Company's Current Report on Form 8-K filed with the SEC on December 2, 2019\)](#)
 - 10.28 [4% Promissory Note in the principal amount of \\$500,000, dated November 26, 2019, issued by John Keeler & Co., Inc. to Walter Lubkin, Jr. \(incorporated by reference to Exhibit 10.30 to the Company's Current Report on Form 8-K filed with the SEC on December 2, 2019\)](#)
 - 10.29 [Form of 4% Convertible Promissory Note, dated November 26, 2019, issued by John Keeler & Co., Inc. \(incorporated by reference to Exhibit 10.31 to the Company's Current Report on Form 8-K filed with the SEC on December 2, 2019\)](#)

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- 10.30 [Form of Leak-Out Agreement, dated November 26, 2019 \(incorporated by reference to Exhibit 10.32 to the Company's Current Report on Form 8-K filed with the SEC on December 2, 2019\)](#)
 - 10.31 [Joinder and Seventh Amendment to Loan and Security Agreement, dated November 26, 2019, by and among ACF Finco I LP, John Keeler & Co., Inc. and Coastal Pride Seafood, LLC \(incorporated by reference to Exhibit 10.33 to the Company's Current Report on Form 8-K filed with the SEC on December 2, 2019\)](#)
 - 10.32 [Form of Lock-Up and Resale Restriction Agreement, dated December 26, 2019 \(incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed with the SEC on May 29, 2020\)](#)
 - 10.33 [Loan Amendment, dated May 21, 2020 to Promissory Note issued to Kenar Overseas Corp. \(incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K filed with the SEC on May 29, 2020\)](#)
 - 10.34 [Eight Amendment to Loan and Security Agreement, dated May 7, 2020, between the Company and ACF Separation and Mutual Release Agreement, dated February 25, 2020, between the Company and Christopher Constable \(incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K filed with the SEC on May 29, 2020\)](#)
 - 10.35 [Separation and Mutual Release Agreement, dated February 25, 2020, between the Company and Christopher Constable \(incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K filed with the SEC on May 29, 2020\)](#)
 - 10.36 [Mutual Lease Termination Agreement, dated December 31, 2020, between Keeler & Co. and John Keeler Real Estate Holdings, Inc. \(incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2021\)](#)
 - 10.37 [Debt Repayment Agreement, dated December 30, 2020, between the Company and John Keeler \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 10-K filed with the SEC on February 9, 2021\)](#)
 - 10.38 [Investment Banking Agreement, dated July 1, 2020, between the Company and Newbridge Securities Corporation \(incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2021\)](#)
 - 10.39 [Amendment No. 1 to Investment Banking Agreement, dated October 30, 2020, between the Company and Newbridge Securities Corporation \(incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2021\)](#)
 - 10.40 [Loan and Security Agreement dated March 31, 2021, by and among John Keeler & Co. Inc. and Coastal Pride Seafood, LLC and Lighthouse Financial Corp. \(incorporated by reference to Exhibit 10.40 to the Company's Current Report on Form 10-K filed with the SEC on April 6, 2021\)](#)

- 10.41 [Revolving Credit Note dated March 31, 2021 in the amount of up to \\$5,000,000 issued by John Keeler & Co. Inc. and Coastal Pride Seafood, LLC to Lighthouse Financial Corp. \(incorporated by reference to Exhibit 10.41 to the Company's Current Report on Form 10-K filed with the SEC on April 6, 2021\)](#)
- 10.42 [Guarantee Agreement dated March 31, 2021 executed by Blue Star Foods Corp. in favor of Lighthouse Financial Corp. \(incorporated by reference to Exhibit 10.42 to the Company's Current Report on Form 10-K filed with the SEC on April 6, 2021\)](#)

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- 10.43 [Form of Director Services Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2021\)](#)
- 10.44 [Stock Purchase Agreement, dated April 27, 2021, by and among the Company, Taste of BC Aquafarms Inc., and Steve Atkinson and Janet Atkinson \(incorporated by reference to Exhibit 10.44 to the Company's Current Report on Form 8-K filed with the SEC on April 29, 2021\)](#)
- 10.45 [Second Loan Amendment, dated April 28, 2021 between the Company and Kenar Overseas Corp. \(incorporated by reference to Exhibit 10.45 to the Company's Current Report on Form 8-K filed with the SEC on April 29, 2021\)](#)
- 10.46 [Form of Subscription Agreement for common stock offering \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 23, 2021\)](#)
- 10.47 [Form of Common Stock Purchase Warrant at \\$2.00 per share \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on June 23, 2021\)](#)
- 10.48 [Form of Promissory Note with Taste of BC Aquafarms, Inc. Sellers \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on June 30, 2021\)](#)
- 10.49 [First Amendment to Stock Purchase Agreement, dated June 24, 2021, by and among, the Company, Taste of BC Aquafarms, Inc, Steven Atkinson and Janet Atkinson \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 30, 2021\)](#)
- 10.50 [Form of Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 24, 2021\(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on June 30, 2021\)](#)
- 10.51 [\\$100,000 Promissory Note, dated July 1, 2021, issued to Lobo Holdings, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 7, 2021\)](#)
- 10.52 [Note Payoff Indemnity Agreement, dated July 6, 2021 between the Company and Kenar Overseas Corp. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 7, 2021\)](#)
- 10.53 [Employment At Will Agreement, dated August 3, 2020, between the Company and Silvia Alana \(incorporated by reference to Exhibit 10.53 to the Company's Registration Statement on Form S-1 filed with the SEC on August 2, 2021\)](#)
- 10.54 [Investment Banking Engagement Agreement, dated July 8, 2021, between the Company and Newbridge Securities Corporation \(incorporated by reference to Exhibit 10.54 to the Company's Registration Statement on Form S-1 filed with the SEC on August 2, 2021\)](#)
- 10.55 [Consulting Agreement, dated July 8, 2021, between the Company and MEC Consulting, Inc. \(incorporated by reference to Exhibit 10.55 to the Company's Registration Statement on Form S-1 filed with the SEC on August 2, 2021\)](#)
- 10.56 [Form of Warrant issuable to Newbridge Securities Corporation \(incorporated by reference to Exhibit 10.56 to the Company's Registration Statement on Form S-1/A filed with the SEC on October 25, 2021\)](#)

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- 10.57 [Securities Purchase Agreement, dated January 24, 2022, between the Company and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.57 to the Company's Current Report on Form 8-K filed with the SEC on January 28, 2022\)](#)
- 10.58 [Warrant, dated January 24, 2022, issued by the Company to Lind Global Fund II LP \(incorporated by reference to Exhibit 10.58 to the Company's Current Report on Form 8-K filed with the SEC on January 28, 2022\)](#)
- 10.59 [Security Agreement, dated as of January 24, 2022, between the Company and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.59 to the Company's Current Report on Form 8-K filed with the SEC on January 28, 2022\)](#)
- 10.60 [Stock Pledge Agreement, dated as of January 24, 2022, between the Company and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.60 to the Company's Current Report on Form 8-K filed with the SEC on January 28, 2022\)](#)
- 10.61 [Form of Warrant, dated November 5, 2021 issued to Newbridge Securities Corporation \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on November 8, 2021\)](#)
- 10.62 [Asset Purchase Agreement, dated February 3, 2022, between Coastal Pride Seafood, LLC, Gault Seafood, LLC and Robert J. Gault II \(incorporated by reference to Exhibit 10.61 to the Company's Current Report on Form 8-K filed with the SEC on February 9, 2022\)](#)
- 10.63 [Consulting Agreement, dated February 3, 2022 between Coastal Pride Seafood, LLC and Robert J. Gault \(incorporated by reference to Exhibit 10.62 to the Company's Current Report on Form 8-K filed with the SEC on February 9, 2022\)](#)
- 10.64 [Leak-Out Agreement, dated February 3, 2022 for Robert J. Gault \(incorporated by reference to Exhibit 10.63 to the Company's Current Report on Form 8-K filed with the SEC on February 9, 2022\)](#)
- 10.65 [Fingerling Supply Agreement, dated December 3, 2021, between Taste of BC Aquafarms Inc. and West Coast Fishculture \(Lois Lake\) Ltd. \(incorporated by reference to Exhibit 10.65 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2022\)](#)
- 10.66 [Form of Director Service Agreement, dated April 20, 2022 \(incorporated by reference to Exhibit 10.66 to the Company's Current Report of Form 8-K filed with the Sec on April 25, 2022\)](#)

- 10.67 [Land Lease Agreement, dated April 1, 2022, between Taste of BC Aquafarms Inc. and Steven and Janet Atkinson \(incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2023\)](#)
- 10.68 [Land Lease Agreement, dated April 1, 2022, between Taste of BC Aquafarms Inc. and Kathryn Atkinson \(incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2023\)](#)
- 10.69 [Vendor and Supply Agreement, effective January 28, 2023, between the Company and Just Food For Dogs, LLC \(incorporated by reference to Exhibit 10.69 to the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2023\)](#)
- 10.70 [Warrant Agent Agreement, dated February 10, 2023, between the Company and VStock Transfer, LLC, including the Pre-Funded Common Stock Purchase Warrant \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on February 15, 2023\)](#)

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- 10.71 [Purchase Agreement, dated May 16, 2023, by and between the Company and ClearThink Capital Partners, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2023\)](#)
- 10.72 [Securities Purchase Agreement, dated May 16, 2023, by and between the Company and ClearThink Capital Partners, LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2023\)](#)
- 10.73 [Registration Rights Agreement, dated May 16, 2023, by and between the Company and ClearThink Capital Partners, LLC \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2023\)](#)
- 10.74 [Securities Purchase Agreement, dated May 30, 2023 by and between Blue Star Foods Corp. and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 31, 2023\)](#)
- 10.75 [Warrant dated May 30, 2023 issued by the Company to Lind Global Fund II LP \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 31, 2023\)](#)
- 10.76 [Amended and Restated Security Agreement dated as of May 30, 2023 by and between the Company and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on May 31, 2023\)](#)
- 10.77 [Waiver Agreement, dated July 6, 2023, among the Company, Taste of BC Aquafarms Inc., Steve Atkinson and Janet Atkinson \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 11, 2023\)](#)
- 10.78 [First Amendment to Securities Purchase Agreement, dated July 27, 2023 by and between Blue Star Foods Corp. and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 28, 2023\)](#)
- 10.79 [Warrant dated July 27, 2023 issued by Blue Star Foods Corp. to Lind Global Fund II LP \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on July 28, 2023\)](#)
- 10.80 [First Amendment to Security Agreement dated as of July 27, 2023 by and between Blue Star Foods Corp. and Lind Global Fund II LP \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on July 28, 2023\)](#)
- 10.81 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.81 to the Company's Registration Statement on Form S-1 filed with the SEC on July 28, 2023\)](#)
- 10.82 [Subordinated Business Loan and Security Agreement dated May 9, 2024 by and between Blue Star Foods Corp. and AgileLending, LLC \(incorporated by reference to Exhibit 10.82 to the Company's Registration Statement on Form S-1 filed with the SEC on August 12, 2024\)](#)
- 10.83 [Subordinated Business Loan and Security Agreement dated July 25, 2024 by and between Blue Star Foods Corp. and AgileLending, LLC \(incorporated by reference to Exhibit 10.83 to the Company's Registration Statement on Form S-1 filed with the SEC on August 12, 2024\)](#)
- 10.84 [Promissory Note dated May 17, 2024 issued to FirstFire Global Opportunities Fund, LLC \(incorporated by reference to Exhibit 10.84 to the Company's Registration Statement on Form S-1 filed with the SEC on August 12, 2024\)](#)
- 10.85 [Waiver and Acknowledgement Agreement by and between Blue Star Foods Corp. and Lind Global Fund II LLP \(incorporated by reference to Exhibit 10.85 to the Company's Registration Statement on Form S-1 filed with the SEC on August 12, 2024\)](#)

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- 10.86 [Form of Securities Purchase Agreement for the August 2024 Private Placement Offering \(incorporated by reference to Exhibit 10.86 to the Company's Form 10-Q filed with the SEC on August 14, 2024\)](#)
- 10.87 [Form of Promissory Note for the August 2024 Private Placement Offering \(incorporated by reference to Exhibit 10.87 to the Company's Form 10-Q filed with the SEC on August 14, 2024\)](#)
- 10.88 [Form of Registration Rights Agreement for the August 2024 Private Placement Offering \(incorporated by reference to Exhibit 10.88 to the Company's Form 10-Q filed with the SEC on August 14, 2024\)](#)
- 10.89 [Securities Purchase Agreement dated September 9, 2024 by and between Blue Star Foods Corp. and 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 10.89 to the Company's Registration Statement on Form S-1 filed with the SEC on November 19, 2024\)](#)
- 10.90 [Promissory Note dated September 8, 2024 by issued to 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 10.90 to the Company's Registration Statement on Form S-1 filed with the SEC on November 19, 2024\)](#)
- 10.91 [Securities Purchase Agreement dated October 1, 2024 by and between Blue Star Foods Corp. and 1800 Diagonal Lending LLC \(incorporated by reference to Exhibit 10.91 to the Company's Registration Statement on Form S-1 filed with the SEC on November 19, 2024\)](#)

10.92	Promissory Note dated October 1, 2024 issued to 1800 Diagonal Lending LLC (incorporated by reference to Exhibit 10.92 to the Company's Registration Statement on Form S-1 filed with the SEC on November 19, 2024)
10.93	Promissory Note dated December 16, 2024 issued to 1800 Diagonal Lending LLC
10.94	Promissory Note dated January 28, 2025 issued to 1800 Diagonal Lending LLC
10.95	Subordinated Business Loan and Security Agreement dated January 28, 2025 by and between Blue Star Foods Corp. and Agile Capital Funding, LLC
14	Code of Ethics (incorporated by reference to Exhibit 14 to the Company's Current Report on Form 8-K filed with the SEC on July 19, 2021)
21.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed with the SEC on May 29, 2020)
31.1*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial and accounting Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97*	Clawback Policy
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLUE STAR FOODS CORP.

Dated: June 22, 2025

By: /s/ John Keeler
Name: John Keeler
Title: Chief Executive Officer and Executive Chairman
(Principal Executive Officer and Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ John Keeler</u> John Keeler	Chief Executive Officer, Executive Chairman and Director	June 22, 2025
<u>/s/ Claudia Campos</u> Claudia Campos	Corporate Controller	June 22, 2025
<u>/s/ Nubar Herian</u> Nubar Herian	Director	June 22, 2025
<u>/s/ Jeffrey J. Guzy</u> Jeffrey J. Guzy	Director	June 22, 2025
<u>/s/ Timothy McLellan</u> Timothy McLellan	Director	June 22, 2025
<u>/s/ Trond Ringstad</u> Trond Ringstad	Director	June 22, 2025

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THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

THE ISSUE PRICE OF THIS NOTE IS \$90,850.00
THE ORIGINAL ISSUE DISCOUNT IS \$11,850.00

Principal Amount: \$90,850.00
Price: \$79,000.00

Issue Date: December 16, 2024 Purchase

PROMISSORY NOTE

FOR VALUE RECEIVED, BLUE STAR FOODS CORP., a Delaware corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of **1800 DIAGONAL LENDING LLC**, a Virginia limited liability company, or registered assigns (the "Holder") the sum of \$90,850.00 together with any interest as set forth herein, on September 15, 2025 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof from the date hereof (the "Issue Date") as set forth herein. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). All payments due hereunder (to the extent not converted into common stock, \$0.0001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, pursuant to which this Note was originally issued (the "Purchase Agreement").

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. GENERAL TERMS

1.1 Interest. A one-time interest charge of twelve percent (12%) (the "Interest Rate") shall be applied on the Issuance Date to the principal amount (\$90,850.00 * twelve percent (12%) = \$10,902.00). Interest hereunder shall be paid as set forth herein to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or, in the Event of Default, at the Option of the Holder, converted into share of Common Stock as set forth herein.

1.2 Mandatory Monthly Payments. Accrued, unpaid Interest and outstanding principal, subject to adjustment, shall be paid in nine (9) payments each in the amount of \$11,305.78 (a total payback to the Holder of 101,752.00). The first payment shall be due January 15, 2025 with eight (8) subsequent payments on the 15th of each month thereafter. The Company shall have a five (5) day grace period with respect to each payment. The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty. All payments shall be made by bank wire transfer to the Holder's wire instructions, attached hereto as Exhibit A. For the avoidance of doubt, a missed payment shall be considered an Event of Default.

ARTICLE II. CERTAIN COVENANTS

2.1 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition subject to any requirements by the Borrower's senior secured lender.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal and Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise and such breach continues for a period of five (5) days after written notice from the Holder.

3.2 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to the Purchase Agreement and such breach continues for a period of twenty (20) days after written notice thereof to the Borrower from the Holder.

3.3 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.4 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower on or after the Issue Date.

3.6 Delisting of Common Stock. The Borrower shall fail to maintain the listing of the Common Stock on the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange, or the NYSE American Stock Exchange (collectively, the "Exchanges").

3.7 Failure to Comply with the Exchange Act. The Borrower shall fail to materially comply with the reporting requirements of the Exchange Act; and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act.

3.8 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.9 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.10 Financial Statement Restatement. The restatement of any financial statements filed by the Borrower with the SEC at any time after 180 days after the Issuance Date for any date or period until this Note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.11 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to 150% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Article IV hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

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ARTICLE IV. CONVERSION RIGHTS

4.1 Conversion Right. After the occurrence of an Event of Default, at any time, the Holder shall have the right, to convert all or any part of the outstanding and unpaid amount of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the conversion price determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The beneficial ownership limitations on conversion as set forth in the section may NOT be waived by the Holder. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit B (the "Notice of Conversion"), delivered to the Borrower by the Holder in accordance with Section 4.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Borrower before 6:00 p.m., New York, New York time on such conversion date (the "Conversion Date"); however, if the Notice of Conversion is sent after 6:00pm, New York, New York time the Conversion Date shall be the next business day. The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, plus (3) at the Holder's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2) plus (4) at the Holder's option, any amounts owed to the Holder pursuant to Sections 4.4 hereof. Notwithstanding anything in this Agreement to the contrary, and in addition to the limitations set forth herein, if the Borrower has not obtained Shareholder Approval, the Borrower shall not issue a number of shares of Common Stock under this Agreement, which when aggregated with all other securities that are required to be aggregated for purposes of Rule 5635(d), would exceed 19.99% of the shares of Common Stock outstanding as of the date of definitive agreement with respect to the first of such aggregated transactions (the "Conversion Limitation"). For purposes of this section, "Shareholder Approval" means such approval as may be required by the applicable rules and regulations of the Nasdaq Stock Market LLC (or any successor entity) from the shareholders of the Company with respect to the issuance of the shares under this Agreement that, when taken together with any other securities that are required to be aggregated with the issuance of the shares issued under this Agreement for purposes of Rule 5635(d) of the Nasdaq Stock Market LLC ("Rule 5635(d)", would exceed 19.99% of the issued and outstanding common stock as of the date of definitive agreement with respect to the first of such aggregated transactions. "Principal Market" means the Exchanges, the quotation platforms maintained by the OTC Markets Group) or an equivalent replacement exchange, and all rules and regulations relating to such exchange. Upon the occurrence of an Event of Default pursuant to Section 3.6 hereof, the Conversion Limitation shall no longer apply to limit the issuance of shares in conversion of this Note.

The Holder shall be entitled to deduct \$1,500.00 from the conversion amount in each Notice of Conversion to cover Holder's deposit fees associated with each Notice of Conversion. Any additional expenses incurred by Holder with respect to the Borrower's transfer agent, for the issuance of the Common Stock into which this Note is convertible into, shall immediately and automatically be added to the balance of the Note at such time as the expenses are incurred by Holder.

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4.2 Conversion Price. The Conversion Price shall mean 75% multiplied by the Market Price (as defined herein) (representing a discount rate of 25%). (subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Borrower relating to the Borrower's securities or the securities of any subsidiary of the Borrower, combinations, recapitalization, reclassifications, extraordinary distributions and similar events). "Market Price" means the lowest Trading Price (as defined below) for the Common Stock during the ten (10) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. "Trading Price" means, for any security as of any date, the closing bid price on the or applicable exchange or trading market (the "Trading Market") as reported by a reliable reporting service ("Reporting Service") designated by the Holder (i.e. Bloomberg) or, if the Trading Market is not the principal trading market for such security, the closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets". If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Borrower and the holders of a majority in interest of the Notes being converted for which the calculation of the Trading Price is required in order to determine the Conversion Price of

such Notes. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the Trading Market, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

4.3 Authorized Shares. The Borrower covenants that during the period that the Note is outstanding, the Borrower will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement. The Borrower is required at all times to have authorized and reserved four times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Note in effect from time to time initially 1,762,580 shares) (the "Reserved Amount"). The Reserved Amount shall be increased (or decreased) from time to time (and in the case of each payment received by the Holder hereunder) in accordance with the Borrower's obligations hereunder. The Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Borrower shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Note. The Borrower (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

If, at any time the Borrower does not maintain the Reserved Amount it will be considered an Event of Default under this Note.

4.4 Method of Conversion.

(a) Mechanics of Conversion. As set forth in Section 4.1 hereof, at any time following an Event of Default, and during the continuation thereof, the balance due pursuant to this Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by (A) submitting to the Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m., New York, New York time) and (B) subject to Section 4.4(b), surrendering this Note at the principal office of the Borrower (upon payment in full of any amounts owed hereunder).

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(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion.

(c) Delivery of Common Stock Upon Conversion. Upon receipt by the Borrower from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 4.4, the Borrower shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt subject to the terms hereof and applicable rules of the Principal Market (as defined hereinbelow) (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations hereunder, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion.

(d) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions set forth herein, the Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit and Withdrawal at Custodian ("DWAC") system.

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(e) Failure to Deliver Common Stock Prior to Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline due to action and/or inaction of the Borrower, the Borrower shall pay to the Holder \$2,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock (the "Fail to Deliver Fee"); provided, however that the Fail to Deliver Fee shall not be due if the failure is a result of a third party (i.e., transfer agent; and not the result of any failure to pay such transfer agent) despite the best efforts of the Borrower to effect delivery of such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this Section 4.4(e) are justified.

4.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless: (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration (such as Rule 144 or a successor rule) ("Rule 144"); or (iii) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 4.5 and who is an Accredited Investor (as defined in the Purchase Agreement).

Any restrictive legend on certificates representing shares of Common Stock issuable upon conversion of this Note shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if the Borrower or its transfer agent shall have received an opinion of counsel from Holder's counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that (i) a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is effected; or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act; or otherwise may be sold pursuant to an exemption from registration. In the event that the

Company does not reasonably accept the opinion of counsel provided by the Holder with respect to the transfer of Securities pursuant to an exemption from registration (such as Rule 144), it will be considered an Event of Default pursuant to this Note.

4.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III). "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

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(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Note, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Borrower shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Borrower or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 4.6(b) unless (a) it first gives, to the extent practicable, ten (10) days prior written notice (but in any event at least five (5) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or electronic mail, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by electronic mail, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

BLUE STAR FOODS CORP.
3000 NW 109th Avenue
Miami, Florida 33172
Attn: John R. Keeler, Chief Executive Officer
Email: jkeeler@bluestarfoods.com

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If to the Holder:

1800 DIAGONAL LENDING LLC
1800 Diagonal Road, Suite 623
Alexandria VA 22314
Attn: Curt Kramer, President
Email: ckramer6@bloomberg.net

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the Securities and Exchange Commission). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement; and may be assigned by the Holder without the consent of the Borrower.

5.5 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any objection or defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Borrower and Holder waive trial by jury. The Holder shall be entitled to recover from the Borrower its reasonable attorney's fees and costs incurred in connection with or related to any Event of Default by the Company, as defined in Article III hereof. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof or any agreement delivered in connection herewith. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note, any agreement or any other document delivered in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

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5.7 Purchase Agreement. By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

5.8 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this on December 16, 2024

BLUE STAR FOODS CORP.

By: /s/ John R. Keeler

John R. Keeler
Chief Executive Officer

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EXHIBIT A – WIRE INSTRUCTIONS

Bank Name:	United Bank Fairfax
Bank Address:	11185 Fairfax Road, Fairfax, VA 22030
Routing Number:	056004445
Beneficiary Account Number:	86475980
Beneficiary:	1800 Diagonal Lending LLC
Mailing Address:	1800 Diagonal Road, Suite 623, Alexandria, VA 22314

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EXHIBIT B — NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ _____ principal amount of the Note (defined below) into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of BLUE STAR FOODS CORP., a Delaware corporation (the "Borrower") according to the conditions of the convertible note of the Borrower dated as of December 16, 2024 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

- ☐ The Borrower shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("DWAC Transfer").

Name of DTC Prime Broker:
Account Number:

- ☐ The undersigned hereby requests that the Borrower issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Date of conversion:

Applicable Conversion Price:

Number of shares of common stock to be issued pursuant to conversion of the Notes:

Amount of Principal Balance due remaining under the Note after this conversion:

\$ _____

1800 DIAGONAL LENDING LLC

By: _____

Name: Curt Kramer

Title: President

Date: _____

THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

THE ISSUE PRICE OF THIS NOTE IS \$149,650.00
THE ORIGINAL ISSUE DISCOUNT IS \$19,650.00

Principal Amount: \$149,650.00
Price: \$130,000.00

Issue Date: January 28, 2025 Purchase

PROMISSORY NOTE

FOR VALUE RECEIVED, BLUE STAR FOODS CORP., a Delaware corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of **1800 DIAGONAL LENDING LLC**, a Virginia limited liability company, or registered assigns (the "Holder") the sum of \$149,650.00 together with any interest as set forth herein, on October 30, 2025 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof from the date hereof (the "Issue Date") as set forth herein. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). All payments due hereunder (to the extent not converted into common stock, \$0.0001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, pursuant to which this Note was originally issued (the "Purchase Agreement").

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. GENERAL TERMS

1.1 Interest. A one-time interest charge of thirteen percent (13%) (the "Interest Rate") shall be applied on the Issuance Date to the principal amount (\$149,650.00 * thirteen percent (13%) = \$19,454.00). Interest hereunder shall be paid as set forth herein to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or, in the Event of Default, at the Option of the Holder, converted into share of Common Stock as set forth herein.

1.2 Mandatory Monthly Payments. Accrued, unpaid interest and outstanding principal, subject to adjustment, shall be paid in four (4) payments as follows:

Payment Date	Amount of Payment
July 30, 2025	\$ 109,917.60
August 30, 2025	\$ 19,728.80
September 30, 2025	\$ 19,728.80
October 30, 2025	\$ 19,728.80

(a total payback to the Holder of \$169,104.00).

The Company shall have a five (5) day grace period with respect to each payment. The Company has the right to prepay in full at any time with no prepayment penalty. All payments shall be made by bank wire transfer to the Holder's wire instructions, attached hereto as Exhibit A. For the avoidance of doubt, a missed payment shall be considered an Event of Default.

ARTICLE II. CERTAIN COVENANTS

2.1 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition subject to any requirements by the Borrower's senior secured lender.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal and Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise and such breach continues for a period of five (5) days after written notice from the Holder.

3.2 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to the Purchase Agreement and such breach continues for a period of twenty (20) days after written notice thereof to the Borrower from the Holder.

3.3 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.4 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower on or after the Issue Date.

3.6 Delisting of Common Stock. The Borrower shall fail to maintain the listing of the Common Stock on the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange, or the NYSE American Stock Exchange (collectively, the "Exchanges").

3.7 Failure to Comply with the Exchange Act. The Borrower shall fail to materially comply with the reporting requirements of the Exchange Act; and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act.

3.8 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.9 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.10 Financial Statement Restatement. The restatement of any financial statements filed by the Borrower with the SEC at any time after 180 days after the Issuance Date for any date or period until this Note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.11 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to 150% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Article IV hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

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ARTICLE IV. CONVERSION RIGHTS

4.1 Conversion Right. After the occurrence of an Event of Default, at any time, the Holder shall have the right, to convert all or any part of the outstanding and unpaid amount of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the conversion price determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The beneficial ownership limitations on conversion as set forth in the section may NOT be waived by the Holder. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit B(the "Notice of Conversion"), delivered to the Borrower by the Holder in accordance with Section 4.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Borrower before 6:00 p.m., New York, New York time on such conversion date (the "Conversion Date"); however, if the Notice of Conversion is sent after 6:00pm, New York, New York time the Conversion Date shall be the next business day. The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, plus (3) at the Holder's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2) plus (4) at the Holder's option, any amounts owed to the Holder pursuant to Sections 4.4 hereof. Notwithstanding anything in this Agreement to the contrary, and in addition to the limitations set forth herein, if the Borrower has not obtained Shareholder Approval, the Borrower shall not issue a number of shares of Common Stock under this Agreement, which when aggregated with all other securities that are required to be aggregated for purposes of Rule 5635(d), would exceed 19.99% of the shares of Common Stock outstanding as of the date of definitive agreement with respect to the first of such aggregated transactions (the "Conversion Limitation"). For purposes of this section, "Shareholder Approval" means such approval as may be required by the applicable rules and regulations of the Nasdaq Stock Market LLC (or any successor entity) from the shareholders of the Company with respect to the issuance of the shares under this Agreement that, when taken together with any other securities that are required to be aggregated with the issuance of the shares issued under this Agreement for purposes of Rule 5635(d) of the Nasdaq Stock Market LLC ("Rule 5635(d)", would exceed 19.99% of the issued and outstanding common stock as of the date of definitive agreement with respect to the first of such aggregated transactions. "Principal Market" means the Exchanges, the quotation platforms maintained by the OTC Markets Group) or an equivalent replacement exchange, and all rules and regulations relating to such exchange. Upon the occurrence of an Event of Default pursuant to Section 3.6 hereof, the Conversion Limitation shall no longer apply to limit the issuance of shares in conversion of this Note.

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The Holder shall be entitled to deduct \$1,500.00 from the conversion amount in each Notice of Conversion to cover Holder's deposit fees associated with each Notice of Conversion. Any additional expenses incurred by Holder with respect to the Borrower's transfer agent, for the issuance of the Common Stock into which this Note is convertible into, shall immediately and automatically be added to the balance of the Note at such time as the expenses are incurred by Holder.

4.2 Conversion Price. The Conversion Price shall mean 65% multiplied by the Market Price (as defined herein) (representing a discount rate of 35%). (subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Borrower relating to the Borrower's securities or the securities of any subsidiary of the Borrower, combinations, recapitalization, reclassifications, extraordinary distributions and similar events). "Market

Price" means the lowest Trading Price (as defined below) for the Common Stock during the ten (10) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. "Trading Price" means, for any security as of any date, the closing bid price on the or applicable exchange or trading market (the "Trading Market") as reported by a reliable reporting service ("Reporting Service") designated by the Holder (i.e. Bloomberg) or, if the Trading Market is not the principal trading market for such security, the closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets". If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Borrower and the holders of a majority in interest of the Notes being converted for which the calculation of the Trading Price is required in order to determine the Conversion Price of such Notes. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the Trading Market, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

4.3 Authorized Shares. The Borrower covenants that during the period that the Note is outstanding, the Borrower will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement. The Borrower is required at all times to have authorized and reserved four times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Note in effect from time to time) (the "Reserved Amount"). The Reserved Amount shall be increased (or decreased) from time to time (and in the case of each payment received by the Holder hereunder) in accordance with the Borrower's obligations hereunder. The Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Borrower shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Note. The Borrower (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

If, at any time the Borrower does not maintain the Reserved Amount it will be considered an Event of Default under this Note.

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4.4 Method of Conversion.

(a) **Mechanics of Conversion.** As set forth in Section 4.1 hereof, at any time following an Event of Default, and during the continuation thereof, the balance due pursuant to this Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by (A) submitting to the Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m., New York, New York time) and (B) subject to Section 4.4(b), surrendering this Note at the principal office of the Borrower (upon payment in full of any amounts owed hereunder).

(b) **Surrender of Note Upon Conversion.** Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion.

(c) **Delivery of Common Stock Upon Conversion.** Upon receipt by the Borrower from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 4.4, the Borrower shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt subject to the terms hereof and applicable rules of the Principal Market (as defined hereinbelow) (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations hereunder, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion.

(d) **Delivery of Common Stock by Electronic Transfer.** In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions set forth herein, the Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit and Withdrawal at Custodian ("DWAC") system.

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(e) **Failure to Deliver Common Stock Prior to Deadline.** Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline due to action and/or inaction of the Borrower, the Borrower shall pay to the Holder \$2,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock (the "Fail to Deliver Fee"); provided; however that the Fail to Deliver Fee shall not be due if the failure is a result of a third party (i.e., transfer agent; and not the result of any failure to pay such transfer agent) despite the best efforts of the Borrower to effect delivery of such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this Section 4.4(e) are justified.

4.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless: (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration (such as Rule 144 or a successor rule) ("Rule 144"); or (iii) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Borrower who agrees to sell or otherwise

transfer the shares only in accordance with this Section 4.5 and who is an Accredited Investor (as defined in the Purchase Agreement).

Any restrictive legend on certificates representing shares of Common Stock issuable upon conversion of this Note shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if the Borrower or its transfer agent shall have received an opinion of counsel from Holder's counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that (i) a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is effected; or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act; or otherwise may be sold pursuant to an exemption from registration. In the event that the Company does not reasonably accept the opinion of counsel provided by the Holder with respect to the transfer of Securities pursuant to an exemption from registration (such as Rule 144), it will be considered an Event of Default pursuant to this Note.

4.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III). "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

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(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Note, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Borrower shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Borrower or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 4.6(b) unless (a) it first gives, to the extent practicable, ten (10) days prior written notice (but in any event at least five (5) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

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5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or electronic mail, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by electronic mail, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

BLUE STAR FOODS CORP.
3000 NW 109th Avenue
Miami, Florida 33172
Attn: John R. Keeler, Chief Executive Officer
Email: jkeeler@bluestarfoods.com

If to the Holder:

1800 DIAGONAL LENDING LLC
1800 Diagonal Road, Suite 623
Alexandria VA 22314
Attn: Curt Kramer, President
Email: ckramer6@bloomberg.net

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the

Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the Securities and Exchange Commission). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement; and may be assigned by the Holder without the consent of the Borrower.

5.5 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

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5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any objection or defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Borrower and Holder waive trial by jury. The Holder shall be entitled to recover from the Borrower its reasonable attorney's fees and costs incurred in connection with or related to any Event of Default by the Company, as defined in Article III hereof. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof or any agreement delivered in connection herewith. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note, any agreement or any other document delivered in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

5.7 Purchase Agreement. By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

5.8 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this on January 28, 2025

BLUE STAR FOODS CORP.

By: /s/ John R. Keeler
John R. Keeler
Chief Executive Officer

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EXHIBIT A – WIRE INSTRUCTIONS

Bank Name:	United Bank Fairfax
Bank Address:	11185 Fairfax Road, Fairfax, VA 22030
Routing Number:	056004445
Beneficiary Account Number:	86475980
Beneficiary:	1800 Diagonal Lending LLC
Mailing Address:	1800 Diagonal Road, Suite 623, Alexandria, VA 22314

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EXHIBIT B — NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ _____ principal amount of the Note (defined below) into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of BLUE STAR FOODS CORP., a Delaware corporation (the "Borrower") according to the conditions of the convertible note of the Borrower dated as of January 28, 2025 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

- ☐ The Borrower shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("DWAC Transfer").

Name of DTC Prime Broker:
Account Number:

- ☐ The undersigned hereby requests that the Borrower issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Date of conversion:

Applicable Conversion Price:

Number of shares of common stock to be issued pursuant to conversion of the Notes:

\$ _____

Amount of Principal Balance due remaining under the Note after this conversion:

1800 DIAGONAL LENDING LLC

By: _____
Name: Curt Kramer
Title: President
Date: _____

SUBORDINATED BUSINESS LOAN AND SECURITY AGREEMENT

THIS SUBORDINATED BUSINESS LOAN AND SECURITY AGREEMENT (as the same may be amended, restated, modified, or supplemented from time to time, this "**Agreement**") dated as of January 28, 2025 (the "**Effective Date**") among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, "**Collateral Agent**"), and Agile Lending, LLC, a Virginia limited liability company ("**Lead Lender**") and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a "Lender" and collectively with the Lead Lender, the "Lenders"), and BLUE STAR FOODS CORP., ("**BSFC**") A Domestic Delaware Corporation. ("**Parent**") and its subsidiaries, JOHN KEELER & CO. INC., ("**JKNC**") A Domestic Florida Corporation., and together with Parent, and the other entities shown as signatories hereto or that are joined from time to time as a Borrower, individually and collectively, jointly and severally, ("**Borrower**"), and provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders the loans described herein. The Collateral Agent, Lenders, and Borrower, each a "Party" and collectively the "Parties", intending to be legally bound, hereby agree as follows:

1. **DEFINITIONS, ACCOUNTING AND OTHER TERMS**

1.1 Capitalized terms used herein shall have the meanings set forth in Section 13 to the extent defined therein. All other capitalized terms used but not defined herein shall have the meaning given to such terms in the Code. Any accounting term used but not defined herein shall be construed in accordance with GAAP and all calculations shall be made in accordance with GAAP. The term "financial statements" shall include the accompanying notes and schedules thereto. Any section, subsection, schedule or exhibit references are to this Agreement unless otherwise specified.

2. **LOANS AND TERMS OF PAYMENT**

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay each Lender the outstanding principal amount of the Term Loan advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Term Loans.

(a) Availability. The Lenders, relying upon each of the representations and warranties set out in this Agreement, as well as each of the representations, covenants and warranties set out in the other Loan Documents, hereby severally and not jointly agree with the Borrower that, subject to and upon the terms and conditions of this Agreement, shall advance the Principal Loan to the Borrower on the Effective Date, but in any event no later than two (2) Business Days after the date hereof, by wiring the funds to the Borrower's Account.

(b) Repayment. Borrower agrees to pay all amounts owing pursuant to the terms of this Agreement, including any financing charge, specified fees, interest and any other charges that may be assessed as provided in this Agreement or as documented in the Business Loan and Security Agreement Supplement (the "**Supplement**") or the Subordinated Secured Promissory Note (as defined below). The Term Loan shall be repaid by Borrower on the dates specified on Exhibit B-4 of this Agreement (each a "**Scheduled Repayment Date**") by the amount set out opposite each Scheduled Repayment Date (each a "**Scheduled Repayment Amount**") and in accordance with the Term Loan Amortization Schedule. If any payment on the Subordinated Secured Promissory Note is due on a day which is not a Business Day, such payment shall be due on the next succeeding Business Day, and such extension of time shall be taken into account in calculating the amount of interest payable under this Note. All unpaid principal and accrued and unpaid interest with respect to the Term Loan is due and payable in full on the Maturity Date. The Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d). Once repaid, no portion of the Term Loan may be reborrowed.

(c) Mandatory Prepayments. If an event described in Section 7.2 hereof occurs, or the Term Loan is accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon accrued through the prepayment date, (ii) the Prepayment Fee (as defined in Section 2.2(d) below), plus (iii) all other Obligations that are due and payable, including, without limitation, interest at the Default Rate with respect to any past due amounts.

(d) Permissive Prepayments and Make-Whole Premium. Borrower shall have the right to make a full prepayment or partial prepayment of any or all of the Obligations in accordance with the prepayment amendment in Exhibit E of this Agreement. The foregoing notwithstanding, upon the prepayment of any principal amount, Borrower shall be obligated to pay a make-whole premium payment on account of such principal so paid, which shall be equal to the aggregate and actual amount of interest (at the contract rate of interest) that would be paid through the Maturity Date ("**Prepayment Fee**").

2.3 Payment of Interest on the Term Loans .

(a) Interest Rate. Borrower agrees to pay in full the interest as set forth in the Supplement found in Exhibit B-5 of this Agreement. For the avoidance of doubt, interest shall accrue on the principal amount of the Term Loan, commencing on, and including, the Effective Date of such Term Loan, for the entire duration of this Agreement, and shall be deemed to be fully earned as payment as provided in Exhibit B-5 attached hereto, with the first \$210,000 treated as principal and the balance as interest. (*) interest are paid by borrower only after all principal balance is fully paid. _____

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) 360 Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed. _____

(d) Debit of Accounts; Payments. All payments on the Subordinated Secured Promissory Note shall be made via automated clearing house transfers of immediately available funds to be initiated by Lender in accordance with the authorization and direction of Borrower to Lead Lender provided in Exhibit B-6 of this Agreement.

(e) Usury Savings Clause. This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Term Loan at a rate which could subject Lenders to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to the Collateral Agent or Lenders for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be

amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full.

2.4 Fees. Borrower shall pay to Collateral Agent and/or Lenders:

(a) Administrative Agent Fee. The Administrative Agent Fee of TWENTY THOUSAND DOLLARS (\$20,000.00), which shall be paid at closing out of proceeds of the Term Loan for the account of Collateral Agent.

2.5 Subordinated Secured Promissory Notes. The Term Loan shall be evidenced by a Subordinated Secured Promissory Note in the form attached as Exhibit D hereto ("**Subordinated Secured Promissory Note**") and shall be repayable as set forth in this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Term Loan . Each Lender's obligation to make the Term Loan is subject to the condition precedent that each Lender shall consent to or shall have received, in form and substance satisfactory to each Lender, such documents, and completion of such other matters, as each Lender may reasonably deem necessary or appropriate.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Effective from and after the Effective Date of the Term Loan, Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower shall grant to Collateral Agent, for the ratable benefit of the Lenders, a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent. If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to extend the Term Loan has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file such financing statements and/or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights in the Collateral and under the Loan Documents; provided, however, Collateral Agent shall only be permitted to file a financing statement upon an Event of Default.

4.3 Guaranty. (Intentionally omitted).

5. REPRESENTATIONS AND WARRANTIES

Each Borrower, jointly and severally, represents and warrants to Collateral Agent and the Lenders as follows:

5.1 Due Organization, Authorization: Power and Authority . Each Borrower and each of its respective Subsidiaries is duly formed, validly existing and in good standing as under the laws of its jurisdiction of organization or formation and each Borrower and each of its respective Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

5.2 Collateral. Borrower and Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any of its Subsidiaries have any deposit accounts, securities accounts, commodity accounts or other investment accounts other than the collateral accounts or other investment accounts (the "**Collateral Accounts**"), if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect to which Borrower has given Collateral Agent notice and taken, subject to Section 6.6 (a), such actions as are necessary to give Collateral Agent a perfected security interest therein. The security interests granted herein are and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Collateral Agent's Lien. All Inventory and Equipment that is part of the Collateral is in all material respects of good and marketable quality, free from material defects.

5.3 Litigation. Except as disclosed on the Perfection Certificate, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of any of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Five Hundred Thousand Dollars (\$500,000.00).

5.4 No Material Adverse Change; Financial Statements. All consolidated financial statements for Parent and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Parent and its Subsidiaries, and the consolidated results of operations of Parent and its Subsidiaries. Since the date of the most recent financial statements submitted to any Lender, there has not been a Material Adverse Change.

5.5 Solvency. Borrower and each of its Subsidiaries, when taken as a whole, is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to result in a Material Adverse Change. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary to continue their respective businesses as currently conducted.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions . Each Borrower and each of its respective Subsidiaries has timely filed all required tax returns and reports, and, except as disclosed, each Borrower and each of its respective Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by such Borrower and such Subsidiaries, in all jurisdictions in which such Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in good faith.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Term Loan solely to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of any Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Shares. Each Borrower has full power and authority to create a first lien on its Shares and no disability or contractual obligation exists that would prohibit such Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. With respect to each Subsidiary which is a corporation, the Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

5.12 Guarantee. (Intentionally omitted)

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

6.1 Government Compliance. Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change.

6.2 Financial Statements, Reports, Certificates, Notices.

(a) Deliver to Collateral Agent and each Lender: (i) as soon as available, but no later than thirty (90) days after the last day of each month, a company prepared consolidated and consolidating balance sheet, income statement and cash flow statement covering the consolidated operations of Parent and its Subsidiaries for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent; (ii) prompt notice of any material amendments of or other changes to the capitalization table of Borrower (other than Parent) and to the Operating Documents of Borrower or any of its Subsidiaries, together with any copies reflecting such amendments or changes with respect thereto; (iii) as soon as available, but no later than thirty (90) days after the last day of each month, copies of the month end account statements for each Collateral Account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s); (iv) prompt notice of any event that (A) could reasonably be expected to materially and adversely affect the Borrower's Intellectual Property and (B) could reasonably be expected to result in a Material Adverse Change; (v) written notice at least (10) days' prior to Borrower's creation of a new Subsidiary in accordance with the terms of Section 6.10; (vi) written notice at least (90) days' prior to Borrower's (A) changing its jurisdiction of organization, (B) changing its organizational structure or type, (C) changing its legal name, (D) changing any organizational number (if any) assigned by its jurisdiction of organization, or (E) registering or filing any Intellectual Property; (vii) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, prompt (and in any event within three (3) Business Days) written notice of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default; (viii) notice of any commercial tort claim of Borrower or any Guarantor and of the general details thereof; (ix) other information as reasonably requested by Collateral Agent or any Lender. (x) written notice of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of more than Five Hundred Thousand Dollars (\$500,000.00); and (xi) written notice of all returns, recoveries, disputes and claims regarding Inventory that involve more than Five Hundred Thousand Dollars (\$500,000.00) individually or in the aggregate in any calendar year.

(b) Keep proper, complete and true books of record and account in accordance with GAAP and in all material respects. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing. Notwithstanding the foregoing, upon request of any Lender, Borrower agrees to permit such Lender to communicate with Borrower's accounting firm, in the presence of a Responsible Officer of the Borrower or the Parent, with respect to the consolidated financial statements delivered pursuant to this Section 6.2.

6.3 Inventory and Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective account debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date.

6.4 Taxes. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except as otherwise permitted pursuant to the terms of Section 5.8 hereof.

6.5 Insurance. Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request (including customary lender's loss payable endorsements and naming the Collateral Agent as an additional insured), and give the Collateral Agent thirty (30) days' prior written notice before any such policy or policies shall be materially altered or canceled (other than cancellation for non-payment of premiums, for which ten (10) days' prior written notice shall be required). At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments to Collateral Agent. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make (but has no obligation to do so), at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's books and records, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

6.7 Landlord Waivers; Bailee Waivers. In the event that Borrower, after the Effective Date, intends to add any new offices or business locations,

including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then Borrower must first receive the written consent of Collateral Agent to do so.

6.8 Further Assurances. Execute any further instruments and take any and all further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement, including without limitation, permit Collateral Agent or any Lender to discuss Borrower's financial condition with Borrower's accountants in the presence of a Responsible Officer of the Borrower or the Parent.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, dispose of (collectively, " **Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property (including Intellectual Property), except for Transfers (a) of (i) Inventory in the ordinary course of business and (ii) Inventory, that, prior to the Effective Date, has been written down or written off, together with related tangible assets and non-material Intellectual Property; (b) of worn out or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments, Permitted Indebtedness and Permitted Licenses; (d) of any non-material Intellectual Property; (e) from (i) Borrower to another Borrower Guarantor, (ii) a non-Borrower Subsidiary to a Borrower, and (iii) a non-Borrower Subsidiary to another non-Borrower; or (f) permitted under Section 7.3 below.

7.2 Changes in Business or Management, Ownership. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve or permit any of its Subsidiaries to liquidate or dissolve; or (c) cause or permit, voluntarily or involuntarily, any Key Person to cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent and each Lender within ten (10) days of such Key Person ceasing to be actively engaged in the management of Borrower,

7.3 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property.

7.4 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.5 Restricted Payments. Following the occurrence and during the continuance of an Event of Default, pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock.

7.6 Transactions with Affiliates. Directly or indirectly enter into any material transaction with any Affiliate of Borrower or any of its Subsidiaries (other than among Borrower), except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries.

7.11 Material Agreements. Waived.

7.12 Financial Covenants. Waived.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an " **Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on the Term Loan on its due date, or (b) pay any other Obligation within three (3) Business Days after such Obligation is due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof.

8.2 Covenant Default. Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), or Borrower violates any provision in Section 7 and such violation is not cured within thirty (30) days after Borrower becomes aware of failure.

8.3 Material Adverse Change. A Material Adverse Change has occurred and is continuing.

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Material Subsidiaries or of any entity under control of Borrower or its Material Subsidiaries on deposit with any institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Material Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); and

(b) (i) any material portion of Borrower's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower or any of its Subsidiaries from conducting any part of its business;

8.5 Insolvency. (a) Parent is or becomes Insolvent; (b) Parent and its Subsidiaries, taken as a whole, are or become Insolvent; (c) Borrower or any Material Subsidiary begins an Insolvency Proceeding; or (d) an Insolvency Proceeding is begun against Borrower or any Material Subsidiary and is not dismissed or stayed within forty five (45) days (but no Term Loan shall be extended while Parent or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

8.6 Judgments. (a) One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars (\$500,000.00) (not covered by independent third party insurance) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof or (b) any judgments, orders or decrees rendered against Borrower that could reasonably be expected to result in a Material Adverse Change;

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement, when taken as a whole, is incorrect in any material respect when made.

8.9 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected first Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens or liens arising as a matter of applicable law.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured by Borrower, as applicable, or waived by Lenders in writing), Lenders may, at their option: (i) by written notice to Borrower, declare the entire unpaid principal balance of the Term Loan, together with all accrued interest thereon and any other charges or fees payable hereunder, immediately due and payable regardless of any prior forbearance and (ii) exercise any and all rights and remedies available to it hereunder, under the Subordinated Secured Promissory Note and/or under applicable law, including, without limitation, the right to collect from Borrower all sums due under this Agreement and the Subordinated Secured Promissory Note and repossess any Collateral at Borrower's expense. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of Lenders or Collateral Agent in connection with Lenders' exercise of any or all of its rights and remedies under this Agreement or the Subordinated Secured Promissory Note, including, without limitation, reasonable attorneys' fees. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney in fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney in fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in, and lien on, the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to extend the Term Loan hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide the Term Loan terminates.

9.3 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.4 Demand Waiver. Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile transmission or e-mail; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, any Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:

BLUE STAR FOODS CORP
3000 NW 109 AVE
MIAMI FL 33172
jkeeler@bluestarfoods.com

If to Collateral Agent:

Agile Capital Funding, LLC
244 Madison Ave, Suite 168
New York, NY 10016
E-Mail Address: aaron@agilecapitalfunding.com

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

11.1 Waiver of Jury Trial. EACH OF BORROWER, COLLATERAL AGENT AND LENDERS UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, ANY OF THE INDEBTEDNESS SECURED HEREBY, ANY DEALINGS AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS

OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.2 Governing Law and Jurisdiction.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS (EXCLUDING THOSE LOAN DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE COMMONWEALTH OF VIRGINIA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAWS OTHER THAN THE LAWS OF THE COMMONWEALTH OF VIRGINIA), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL, PROVIDED, HOWEVER, THAT IF THE LAWS OF ANY JURISDICTION OTHER THAN VIRGINIA SHALL GOVERN IN REGARD TO THE VALIDITY, PERFECTION OR EFFECT OF PERFECTION OF ANY LIEN OR IN REGARD TO PROCEDURAL MATTERS AFFECTING ENFORCEMENT OF ANY LIENS IN COLLATERAL, SUCH LAWS OF SUCH OTHER JURISDICTIONS SHALL CONTINUE TO APPLY TO THAT EXTENT.

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to the Loan Documents shall be brought exclusively in the courts of the Commonwealth of Virginia, including, without limitation the Circuit Court of Arlington County in the Commonwealth of Virginia and, by execution and delivery of this Agreement, Borrower hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts. Notwithstanding the foregoing, Collateral Agent and Lenders shall have the right to bring any action or proceeding against Borrower (or any property of Borrower) in the court of any other jurisdiction Collateral Agent or Lenders deem necessary or appropriate in order to realize on the Collateral or other security for the Obligations. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(c) Service of Process. Borrower irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable requirements of law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of Borrower specified herein (and shall be effective when such mailing shall be effective, as provided therein). Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Non-exclusive Jurisdiction. Nothing contained in this Section 11.2 shall affect the right of Collateral Agent or Lenders to serve process in any other manner permitted by applicable requirements of law or commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each Party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's prior written consent (which may be granted or withheld in Collateral Agent's discretion, subject to Section 12.5). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation, or grant of a participation, a "**Lender Transfer**") all or any part of, or any interest in, any one or more Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents. In the event of such a Lender Transfer, Collateral Agent or Lead Lender shall have the right to, at its respective sole and absolute option, (a) notify Borrower of such Lender Transfer, in accordance with Section 10 hereof, and direct Borrower to make payments directly to such other Lender or Lenders, indicating such other Lenders' Pro Rata share of the Term Loan and the amount of the payment to be made in connection therewith, or (b) continue to collect payments hereunder and under the other Loan Documents and pay such other Lenders their Pro Rata Share of the Term Loan, in accordance with, and on such terms, as are determined by and between the Lenders.

12.2 Indemnification. Borrower, jointly and severally, agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective members, managers, directors, officers, employees, consultants, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. Borrower hereby further, jointly and severally, indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.4 Correction of Loan Documents. Collateral Agent may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.5 Amendments in Writing; Integration. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, and no consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender's Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent's written consent or signature; and

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to the Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to the Term Loan (B) postpone the date fixed for, or waive, any payment of principal of the Term Loan or of interest on the Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "Required Lenders" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.5 or the definitions of the terms used in this Section 12.5 insofar as the definitions affect the substance of this Section 12.5; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the immediately preceding sentence.

(b) Other than as expressly provided for in Section 12.5(a)(i) (iii), Collateral Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.6 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Any and all electronic signatures, whether by scan, e-mail, PDF, DocuSign or similar means, and any electronic delivery of signature pages hereto, shall be treated as originals.

12.7 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.8 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.8 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Term Loan (provided, however, the Lenders and Collateral Agent shall obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement or have agreed to similar confidentiality terms with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent at no fault of the Lenders or the Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.8 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.8.

12.9 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY BORROWER.

12.10 Borrower Liability. Each Borrower may, acting singly, request credit extensions hereunder. Each Borrower hereby appoints the other as agent for the other for all purposes hereunder, including with respect to requesting credit extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all credit extensions made hereunder, regardless of which Borrower actually receives said credit extension, as if each Borrower hereunder directly received all credit extensions. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, and (b) any right to require Collateral Agent or any Lender to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Collateral Agent and/or any Lender may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Collateral Agent and the Lenders under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 12.10 shall be null and void. If any payment is made to a Borrower in contravention of this Section 12.10, such Borrower shall hold such payment in trust for Collateral Agent and the Lenders and such payment shall be promptly delivered to Collateral Agent for application to the Obligations, whether matured or unmatured.

12.11. Change of Law. If, due to any change in applicable law or regulations, or the interpretation thereof by any court of law or other governing

body having jurisdiction subsequent to the date of this Agreement, the performance of any provision of this Agreement, the loans granted pursuant hereto or any transaction contemplated hereby shall become unlawful, impracticable or impossible, the Lender shall have the right, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed, to amend the terms hereof in good faith so as to comply with the then current laws, rules and/or regulations in the way that, in its reasonable judgment, best and most closely reflects the terms and conditions negotiated herein and intended hereby.

12.12. Subordination to Senior Indebtedness. In addition to the subordination and other provisions contained in any subordination or intercreditor agreement, Borrower, Collateral Agent and Lenders agree that the payment of all amounts payable hereunder and under the Subordinated Secured Promissory Note are expressly subordinated in right of payment to the payment when due of all obligations under the Senior Indebtedness.

13. DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"Accounts" shall mean accounts receivable of Parent.

"Affiliate" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners if such Person is a partnership and, for any Person that is a limited liability company, that Person's managers and members.

"Borrowing Base" shall mean, at any time, an amount equal to 100% of Eligible Accounts. **"Business Day"** is any day that is not a Saturday, Sunday or a day on which banks are closed in the Commonwealth of Virginia.

"Code" is the Uniform Commercial Code, as enacted in the Commonwealth of Virginia.

"Collateral" is any and all properties, rights and assets of Borrower described on Exhibit A.

"Disbursement Instruction Form" is that certain form attached hereto as Exhibit B-2.

"Drawdown" means any principal amount borrowed or to be borrowed (by any means) under the provisions hereof.

"Eligible Accounts" shall mean Accounts that are not excluded as ineligible by virtue of one or more of the criteria set forth below. None of the following shall be Eligible Accounts: (A) Accounts (i) with respect to which the scheduled due date is more than 60 days after the original invoice date, (ii) which are unpaid more than (A) 90 days after the date of the original invoice therefor; (B) Accounts which (i) do not arise from the sale of goods or performance of services in the ordinary course of business, (ii) are not evidenced by an invoice or other documentation reasonably satisfactory to the Collateral Agent, (iii) represent a progress billing, or (iv) are contingent upon any Borrower's completion of any further performance; (C) Accounts which are owed by an account debtor which (i) does not maintain its chief executive office in the United States or (ii) is not organized under any applicable law of the United States, any State of the United States or the District of Columbia; (D) Accounts which are owed in any currency other than dollars; or (E) Accounts which are owed by any Affiliate, employee, officer, director or stockholder of any Borrower or Guarantor.

"Equipment" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"Existing Indebtedness" is the indebtedness of Borrower listed in the Perfection Certificate. **"Indebtedness"** is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, (d) merchant cash advances; and (e) Contingent Obligations in respect of any of the foregoing.

"Insolvency Proceeding" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions or proceedings seeking reorganization, arrangement, or other relief.

"Insolvent" means not Solvent.

"Intellectual Property" shall mean, all (a) trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, logos, trade dress, domain names, web sites, and all other indicia of origin or quality, and goodwill associated therewith and arising therefrom; (b) patents and patent rights; and (c) works of authorship and copyrights therein, and all common law rights in all of the foregoing, and registration and applications for all of the foregoing issued by or filed with the US Patent and Trademark Office, any State of the US, the US Copyright Office, or any foreign equivalent thereof, and all of the foregoing (a)-(c) used in, at, or in connection with and/or necessary for the (i) conduct of any Borrower's business and/or (ii) use and/or operation of the Collateral.

"Inventory" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"Investment" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"Key Person" is JOHN R KEELER

"Lien" is a mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"Loan Documents" are, collectively, this Agreement, each Subordinated Secured Promissory Note, each Disbursement Instruction Form, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future document, certificate, form or agreement entered into by Borrower or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified or supplemented from time to time.

"Material Adverse Change" is (a) a material adverse change in the business, operations or condition (financial or otherwise) of Parent, or Parent and each Subsidiary, taken as a whole; (b) a material impairment of the prospect of repayment of any portion of the Obligations, or (c) a material adverse

effect on the Collateral.

"Material Agreement" is any license, agreement or other similar contractual arrangement with a Person or Governmental Authority whereby Borrower or any of its Subsidiaries is reasonably likely to be required to transfer, either in-kind or in cash, prior to the Maturity Date, assets or property valued (book or market) at more than Fifty Thousand Dollars (\$50,000.00) in the aggregate or any license, agreement or other similar contractual arrangement conveying rights in or to any material Intellectual Property.

"Maturity Date" is 28 weeks from the Effective Date.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Term Loan.

"Obligations" are all of Borrower's obligations to pay when due any debts, principal, interest, the Prepayment Fee, the Final Fee, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents, or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower's duties under the Loan Documents.

"Operating Documents" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"Perfection Certificate" is that certain form attached hereto as Exhibit B-1.

"Permitted Indebtedness" is: (a) Borrower's Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents; (b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s); (c) unsecured Indebtedness to trade creditors and Indebtedness in connection with credit cards incurred in the ordinary course of business; (d) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (c) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, or its Subsidiary, as the case may be;

"Permitted Investments" are: (a) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business; (b) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (b) shall not apply to Investments of Borrower in any Subsidiary.

"Permitted Licenses" are licenses of over-the-counter software that is commercially available to the public.

"Permitted Liens" are Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and the other Loan Documents;

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

"Pro Rata Share" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of the Term Loan held by such Lender by the aggregate outstanding principal amount of the Term Loan.

"Related Persons" means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor and other consultants and agents of or to such Person or any of its Affiliates.

"Required Lenders" means (i) for so long as the Lead Lender has not assigned or transferred any of its interests in the Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after the Lead Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least fifty one percent (51%) of the aggregate outstanding principal balance of the Term Loan.

"Responsible Officer" is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower or Parent.

"Senior Indebtedness" is that Permitted Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s).

"Shares" means one hundred percent (100.0%) of the stock, units or other evidence of equity ownership held by Borrower or its Subsidiaries of any Subsidiary which is organized under the laws of the United States.

"Solvent" is, with respect to any Person: the fair salable value of such Person's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person's liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature in the ordinary course (without taking into account any forbearance and extensions related thereto).

"Subordinated Debt" is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Indebtedness of Borrower and/or its Subsidiaries to the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

"Subordinated Secured Promissory Note" is defined in Section 2.5.

"Subsidiary" is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries. Unless otherwise specified, references herein to a Subsidiary means a Subsidiary of Borrower.

"Term Loan" is defined in Section 2.2(a) hereof.

"Term Loan Amortization Schedule" means the amortization schedule set forth in Exhibit B-4 of this Agreement.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWER:
BLUE STAR FOODS CORP.


By JOHN R KEELER
Its: CEO

BORROWER:

By:
Its:


BORROWER:

By
Its:

LEAD LENDER:
Agile Lending, LLC


By Aaron Greenblott
Its: Memb

BORROWER:
JOHN KEELER & CO. INC.


By: JOHN R KEELER
Its: CEO

BORROWER:

By:
Its:

BORROWER:

By:
Its:

COLLATERAL AGENT:
Agile Capital Funding, LLC


By: Aaron Greenblott
Its: Memb

EXHIBITS TO FOLLOW

APPENDIX 1

BORROWER LIST

EXHIBIT A

DESCRIPTION OF COLLATERAL

The Collateral consists of all of Borrower's right, title and interest in and to the following property:

All of Borrower's goods, Accounts, Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including Intellectual Property), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All of Borrower's books and records relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9- 408 or 9-409 (or any other Section) of Division 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the "Collateral."

EXHIBIT A

DESCRIPTION OF COLLATERAL

EXHIBIT B-1

PERFECTION CERTIFICATE

The undersigned, the President of BLUE STAR FOODS CORP., ("**BSFC**") A Domestic Delaware Corporation. (the "Company"), hereby certifies, with reference to (i) the Business Loan and Security Agreement, dated as of January 28, 2025 (the "Loan Agreement"), among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, "**Collateral Agent**"), and Agile Lending, LLC, a Virginia limited liability company ("**Lead Lender**") and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a "**Lender**" and collectively with the Lead Lender, the "**Lenders**"), and BLUE STAR FOODS CORP., ("**BSFC**") A Domestic Delaware Corporation. ("**Parent**") and its subsidiaries, JOHN KEELER & CO. INC., ("**JKNC**") A Domestic Florida Corporation., Parent, and the other entities shown as signatories hereto or that are joined from time to time as a Borrower, individually and collectively, jointly and severally, "**Borrower**") to the Lender as follows:

1. **Name, Tax ID, and State of Formation.** The exact legal name of the Borrower as that name appears on its Certificate of Organization, as amended, is as follows:

Name	Tax ID
BLUE STAR FOODS CORP.	82-4270040
JOHN KEELER & CO. INC.	65-0580744

2. **Other Identifying Factors.**

(a) The following is the mailing address of the Borrower:

3000 NW 109TH AVE,	MIAMI FL 33172	

(b) The following are any DBAs of the Borrower:

3. **Other Current Locations.**

(a) The following are all other locations in the in which the Borrower maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

(b) The following are all other places of business of the Company in the United States of America:

(c) The following are all other locations where any of the Collateral consisting of inventory or equipment is located:

(d) The following are the names and addresses of all persons or entities other than the Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

4. **Prior Locations.**

(a) Set forth below is the information required by §4(a) or (b) with respect to each location or place of business previously maintained by the Company at any time during the past five years in a state in which the Company has previously maintained a location or place of business at any time during the past four months:

(b) Set forth below is the information required by §4(c) or (d) with respect to each other location at which, or other person or entity with which, any of the Collateral consisting of inventory or equipment has been previously held at any time during the past twelve months:

5. **Fixtures.** Set forth below is the information required by UCC §9-502(b) or former UCC §9-402(5) of each state in which any of the Collateral consisting of fixtures are or are to be located and the name and address of each real estate recording office where a mortgage on the real estate on which such fixtures are or are to be located would be recorded.

6. **Intellectual Property.**

Set forth below is a complete list of all United States and foreign patents, copyrights, trademarks, trade names and service marks registered or for which applications are pending in the name of the Company.

7. **Securities; Instruments.** Set forth below is a complete list of all stocks, bonds, debentures, notes and other securities and investment property owned by the Company (*provide name of issuer, a description of security and value*).

8. **Motor Vehicles.** The following is a complete list of all motor vehicles owned by the Borrower (*describe each vehicle by make, model and year and indicate for each the state in which registered and the state in which based*):

Vehicle		State of Registration		State in Which Based
Truck	Plate	VIN	Make	

9. **Permitted Indebtedness.**

Lender	Balance	Total Payment (indicate daily, weekly, or monthly)

LIND PARTNERS			CONVERTABLE IN TO STOCK ONLY
AGILE LENDING, LLC - 415871	\$	66,877.00	\$ 11,146.15 Weekly
AGILE LENDING, LLC-422381	\$	189,000.00	\$ 10,500.00 Weekly

10. Permitted Liens:

Liens in connection with Permitted Indebtedness.

11. Bank Accounts. The following is a complete list of all bank accounts (including securities and commodities accounts) maintained by the Borrower (provide name and address of depository bank, type of account and account number):

Bank Name	Account Name	Account Number	Account Routing
US CENTURY BANK	BLUE STAR FOODS CORP	1902014669	067015397
US CENTURY BANK	JOHN KEELER & CO INC	1902020682	067015397

12. Unusual Transactions. All of the Collateral has been originated by the Borrower in the ordinary course of the Borrower's business or consists of goods which have been acquired by the Borrower in the ordinary course from a person in the business of selling goods of that kind.

13. Litigation

a. The following is a complete list of pending and threatened litigation or claims involving amounts claimed against the Borrower in an indefinite amount or in excess of \$500,000 in each case:

b. The following are the only claims which the Borrower has against others (other than claims on accounts receivable), which the Borrower is asserting or intends to assert, and in which the potential recovery exceeds \$500,000:

14. Insurance Broker. The following broker handles the Borrower's property insurance :

Broker	Contact	Telephone	Email
KEYES INSURANCE	RYAN GARZON	(954) 724-7000	wtorres@keyescoverage.com

The Borrower agrees to advise you of any change or modification to any of the foregoing information or any supplemental information provided on any continuation pages attached hereto, and, until such notice is received by you, you shall be entitled to rely upon such information and presume it is correct. The Borrower acknowledges that your acceptance of this Perfection Certificate and any continuation pages does not imply any commitment on your part to enter into a loan transaction with the Borrower, and that any such commitment may only be made by an express written loan commitment, signed by one of your authorized officers.

Date: January 28, 2025

[BLUE STAR FOODS]

By:



Name: JOHN R KEELER

Its: CEO

Email: jkeeler@bluestarfoods.com

EXHIBIT B-2

DISBURSEMENT INSTRUCTION FORM

The proceeds of the first advance of Term Loan shall be disbursed as follows:

Term Loan	\$	420,000.00
Less:		
Administrative Agent Fee to be remitted to <u>Agile Capital Funding, LLC</u>	\$	(20,000.00)
TOTAL TERM LOAN NET PROCEEDS TO BORROWER	\$	400,000.00

The aggregate net proceeds of the Term Loan shall be transferred to the Designated Deposit Account as follows:

BORROWER: **BLUE STAR FOODS CORP.**

Account Name: blue star foods corp

Bank Name: us century bank

ABA Number: 067015397

Account Number: 1902014669

The proceeds of the subsequent advances of the Term Loan shall be disbursed as follows:

EXHIBIT B-3

DRAWDOWN SCHEDULE

Within 2 Business Days of Closing Date.

EXHIBIT B-4

REPAYMENT AND AMORTIZATION SCHEDULE

Projected Payment Schedule

	Weekly Payment
2/7/2025	\$ 21,300.00
2/14/2025	\$ 21,300.00
2/21/2025	\$ 21,300.00
2/28/2025	\$ 21,300.00
3/7/2025	\$ 21,300.00
3/14/2025	\$ 21,300.00
3/21/2025	\$ 21,300.00
3/28/2025	\$ 21,300.00
4/4/2025	\$ 21,300.00
4/11/2025	\$ 21,300.00
4/18/2025	\$ 21,300.00
4/25/2025	\$ 21,300.00
5/2/2025	\$ 21,300.00
5/9/2025	\$ 21,300.00
5/16/2025	\$ 21,300.00
5/23/2025	\$ 21,300.00
5/30/2025	\$ 21,300.00
6/6/2025	\$ 21,300.00
6/13/2025	\$ 21,300.00
6/20/2025	\$ 21,300.00
6/27/2025	\$ 21,300.00
7/4/2025	\$ 21,300.00
7/11/2025	\$ 21,300.00
7/18/2025	\$ 21,300.00
7/25/2025	\$ 21,300.00
8/1/2025	\$ 21,300.00
8/8/2025	\$ 21,300.00
8/15/2025	\$ 21,300.00
Total	\$ 596,400.00

EXHIBIT B-5

Business Loan and Security Agreement Supplement

Principal Amount of Loan:	\$420,000.00, including the Administrative Agent Fee , available as set forth in the Drawdown Schedule found in Exhibit B-3 of this Agreement.
Total Repayment Amount:	The total repayment amount of the Term Loan, including all interest, lender fees, and third-party fees, assuming all payments are made on time is \$596,400.00
Payment Schedule:	As set forth in the Repayment and Amortization Schedule found in Exhibit B-4 of the Agreement.
Payment Multiplier: (The per dollar cost of the loan inclusive of all interest and fees).	1.42
Interest Charge:	\$176,400.00 assuming all payments are made on time.
Fees payable to Collateral Agent and its designees:	Administrative Agent Fee: \$20,000.00. , payable at closing out of proceeds of the Term Loan

EXHIBIT B-6

AUTHORIZATION AGREEMENT
FOR AUTOMATED CLEARING HOUSE TRANSACTIONS


Borrower hereby authorizes Lender and / or Servicer (or its representatives) to present automated clearing house (ACH) debits to the following checking account in the amount of fees and other obligations due to Lender from Borrower under the terms of the Business Loan and Security Agreement and Subordinated Secured Promissory Note entered into between Lender and Borrower, as it may be amended, supplemented or replaced from time to time. In addition, if an Event of Default (as defined in the Business Loan and Security Agreement or Secured Promissory Note) occurs, Borrower authorizes Lender and / or Servicer (or its representatives) to debit any and all accounts controlled by Borrower or controlled by any entity with the same Federal

Tax Identification Number as Borrower up to the total amount, including but not limited to, all fees and charges, due to Lender from Borrower under the terms of the Agreement.

Transfer Funds To/From: blue star _foods corp
Account Name: blue star foods corp
Bank Name: us century bank
ABA Number: 067015397
Account Number: 1902014669

This authorization is to remain in full force and effect until all obligations due to Borrower under the Agreement have been fulfilled.

Borrower Information:

Borrower's Name: blue _star foods corp
Signature of Authorized Representative: 
Print Name: john keeler
Title: ceo
Borrower's Tax ID: 82-4270040
Date: 01 / 29 / 2025

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Title	BLUE STAR FOOD CORP-437979
File name	BLUE_STAR_FOOD_CORP-437979_1_.pdf
Document ID	14a270647f6f9aa1bdc263ffc7b752625d87cb32
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document history

 SENT	01 / 28 / 2025 17:14:53 UTC-5	Sent for signature to JOHN R KEELER (jkeeler@bluestarfoods.com) and AARON GREENBLOTT (contracts@lendwizely.com) from contracts@lendwizely.com IP: 71.105.210.36
 VIEWED	01 / 29 / 2025 05:41:31 UTC-5	Viewed by JOHN R KEELER (jkeeler@bluestarfoods.com) IP: 76.128.192.119
 SIGNED	01 / 29 / 2025 05:46:33 UTC-5	Signed by JOHN R KEELER (jkeeler@bluestarfoods.com) IP: 76.128.192.119
 VIEWED	01 / 29 / 2025 16:24:47 UTC-5	Viewed by AARON GREENBLOTT (contracts@lendwizely.com) IP: 71.105.210.36
 SIGNED	01 / 29 / 2025 16:25:05 UTC-5	Signed by AARON GREENBLOTT (contracts@lendwizely.com) IP: 71.105.210.36
 COMPLETED	01 / 29 / 2025 16:25:05 UTC-5	The document has been completed.

CERTIFICATIONS

I, John Keeler, certify that:

1. I have reviewed this Annual Report on Form 10-K of Blue Star Foods Corp., a Delaware corporation, for the year ended December 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the most recent quarter (the registrant's fourth quarter) covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 22, 2025

By: /s/ John Keeler
John Keeler
Chief Executive Officer and Executive Chairman
(Principal Executive Officer and Principal Financial and Accounting Officer)

CERTIFICATIONS

I, John Keeler, certify that:

1. I have reviewed this Annual Report on Form 10-K of Blue Star Foods Corp., a Delaware corporation, for the year ended December 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the most recent quarter (the registrant's fourth quarter) covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 22, 2025

By: /s/ John Keeler
John Keeler
Chief Financial Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Blue Star Foods Corp., a Delaware corporation (the "Company"), for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Keeler, Chief Executive Officer and Executive Chairman of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: June 22, 2025

By /s/ John Keeler
Name: John Keeler
Title: Chief Executive Officer and Executive Chairman
(Principal Executive Officer and Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Blue Star Foods Corp., a Delaware corporation (the "Company"), for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Keeler, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: June 22, 2025

By /s/ John Keeler
Name: John Keeler
Title: Chief Financial Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

Blue Star Foods Corp.
Incentive Compensation Recovery Policy

Effective Date: December 1, 2023

1. **Purpose.** The purpose of the Blue Star Foods Corp. Incentive Compensation Recovery Policy (this "**Policy**") is to provide for the recovery of certain Incentive-Based Compensation in the event of an Accounting Restatement. This Policy is intended to comply with, and to be administered and interpreted consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), Rule 10D-1 promulgated under the Exchange Act ("**Rule 10D-1**"), and Listing Rule 5608 adopted by the Nasdaq Stock Market LLC ("**Nasdaq**") (the "**Listing Standards**"). Unless otherwise defined in this Policy, capitalized terms shall have the meanings set forth in the Appendix attached hereto.
 2. **Policy for Recovery of Erroneously Awarded Compensation.** In the event of an Accounting Restatement, it is the Company's policy to recover reasonably promptly the amount of any Erroneously Awarded Compensation Received during the Recovery Period.
 3. **Application of Policy.** This Policy applies to Incentive-Based Compensation Received by an Executive Officer (i) on or after October 2, 2023 and after such individual began service as an Executive Officer, (ii) if that person served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation, and (iii) while the Company had a listed class of securities on a national securities exchange.
 4. **Administration**
 - a. This Policy shall be administered by the Compensation Committee, except that the Board may determine to act as the administrator or designate another committee of the Board to act as the administrator with respect to any portion of this Policy other than Section 4(c) (the "**Administrator**"). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy.
 - b. The Company is authorized to take appropriate steps to implement this Policy and may effect recovery hereunder by: (i) requiring payment to the Company, (ii) set-off, (iii) reducing compensation, or (iv) such other means or combination of means as the Administrator determines to be appropriate.
 - c. The Company need not recover Erroneously Awarded Compensation if and to the extent that the Compensation Committee or a majority of the independent members of the Board determines that such recovery is impracticable and not required under Rule 10D-1 and the Listing Standards, including if the Compensation Committee or a majority of the independent members of the Board determines that: (i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover, or (ii) recovery would likely cause an otherwise tax-qualified broad-based retirement plan to fail the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.
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- d. The Administrator may require each Executive Officer to sign and return to the Company an Acknowledgment Form substantially in the form attached to this Policy as Exhibit A or in such other form determined by the Administrator, pursuant to which the Executive Officer agrees to be bound by, and comply with, the terms of this Policy.
 - e. Any determinations made by the Administrator under this Policy shall be final and binding on all affected individuals and need not be uniform among affected individuals.
 5. **Other Recovery Rights; Company Claims.** Any right of recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law or pursuant to the terms of any compensation recovery policy in any employment agreement, plan or award agreement, or pursuant to the terms of any other compensation recovery policy of the Company. Nothing contained in this Policy and no recovery hereunder shall limit any claims, damages, or other legal remedies the Company may have against an individual arising out of or resulting from any actions or omissions by such individual.
 6. **Reporting and Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirements of federal securities laws.
 7. **Indemnification Prohibition.** Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement that may be interpreted to the contrary, the Company shall not indemnify any Executive Officer with respect to amount(s) recovered under this Policy or claims relating to the enforcement of this Policy, including any payment or reimbursement for the cost of third-party insurance purchased by such Executive Officer to fund potential clawback obligations hereunder.
 8. **Amendment; Termination.** The Board or the Compensation Committee may amend or terminate this Policy from time to time in its discretion as it deems appropriate and shall amend this policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed; provided, however, that no amendment or termination of this Policy shall be effective to the extent it would cause the Company to violate any federal securities laws, Securities and Exchange Commission rule or the rules or standards of any national securities exchange on which the Company's securities are listed.
 9. **Successors.** This Policy shall be binding and enforceable against all individuals who are or were Executive Officers and their beneficiaries, heirs, executors, administrators, or other legal representatives.
 10. **Effective Date.** This Policy was approved on November 29, 2023 and is effective only for Incentive-Based Compensation Received on or after October 2, 2023.
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APPENDIX

Definitions: For purposes of this Policy, the following terms shall have the meanings set forth below:

"**Accounting Restatement**" means an accounting restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any accounting restatement required to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were

corrected in the current period or left uncorrected in the current period.

"**Administrator**" has the meaning set forth in Section 4(a) hereof.

"**Board**" means the Company's Board of Directors.

"**Company**" means Blue Star Foods Corp., a corporation organized under the laws of the State of Delaware, and its affiliates.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Erroneously Awarded Compensation**" means the amount, as determined by the Administrator, of Incentive-Based Compensation received by an Executive Officer that exceeds the amount of Incentive-Based Compensation that would have been received by the Executive Officer had it been determined based on the restated amounts. For Incentive-Based Compensation based on stock price or total shareholder return ("**TSR**") the Administrator will determine the amount based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received, and the Company will maintain documentation of the determination of that reasonable estimate and provide the documentation to Nasdaq. In all cases, the amount to be recovered will be calculated without regard to any taxes paid by the Executive Officer with respect of the Erroneously Awarded Compensation.

"**Executive Officers**" means the Company's current and former executive officers as determined by the Administrator in accordance with Rule 10D-1 and the Listing Standards. Generally, Executive Officers include any executive officer designated by the Board as an "officer" under Rule 16a-1(f) under the Exchange Act.

"**Financial Reporting Measure**" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based wholly or in part on the Company's stock price or total shareholder return. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission.

"**Incentive-Based Compensation**" means any compensation granted, earned, or vested based in whole or in part on the Company's attainment of a Financial Reporting Measure. Incentive-Based Compensation is deemed to be "**Received**" for purposes of this Policy in the fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

"**Recovery Period**" means the three completed fiscal years immediately preceding the date that the Company is required to prepare the applicable Accounting Restatement and any "transition period" as described under Rule 10D-1 and the Listing Standards. For purposes of this Policy, the "**date that the Company is required to prepare the applicable Accounting Restatement**" is the earlier to occur of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

Exhibit A

Blue Star Foods Corp. Incentive Compensation Recovery Policy

ACKNOWLEDGEMENT FORM

I, the undersigned, acknowledge and affirm that I have received and reviewed a copy of the Blue Star Foods Corp. Incentive Compensation Recovery Policy, and agree that: (i) I am and will continue to be subject to the Blue Star Foods Corp. Incentive Compensation Recovery Policy, as amended from time to time (the "**Policy**"), (ii) the Policy will apply to me both during and after my employment with the Company, and (iii) I will abide by the terms of the Policy, including, without limitation, by promptly returning any Erroneously Awarded Compensation to the Company to the extent required by, and in a manner determined by the Administrator and permitted by, the Policy. In the event of any inconsistency between the Policy and the terms of any employment agreement or offer letter to which I am a party, or the terms of any compensation plan, program, or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern.

Capitalized terms used but not otherwise defined in this Acknowledgement Form shall have the meanings ascribed to such terms in the Policy.

Signature

Print Name

Date
