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

FORM 10-Q

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

For the quarterly period ended March 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 001-41723

BRANCHOUT FOOD INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**81-3980472** (IRS Employer Identification No.)

205 SE Davis Avenue, Bend, Oregon 97702
(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: **(844) 263-6637**

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, $0.001 par value	BOF	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to 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 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 "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Title or class	Shares outstanding as of May 14, 2024
Common Stock, $0.001 par value	4,253,288

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BRANCHOUT FOOD INC.
CONDENSED BALANCE SHEETS

	March 31, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets:		
Cash	$ 251,700	$ 657,789
Accounts receivable	499,976	635,549
Advances on inventory purchases	319,974	-
Inventory	118,065	336,805
Other current assets	79,537	48,100
Total current assets	1,269,252	1,678,243
Property and equipment, net	908,663	914,999
Right-of-use asset	138,774	147,228
Note receivable	374,728	384,628
Total Assets	$ 2,691,417	$ 3,125,098
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 397,142	$ 382,948
Accounts payable, related parties	12,000	-
Accrued expenses	78,103	165,244
Notes payable, current portion	-	200,000
Notes payable, related parties, net of discounts	350,805	-
Lease liability, current portion	31,758	30,901
Total current liabilities	869,808	779,093
Notes payable, net of current portion	34,500	34,500
Lease liability, net of current portion	92,761	101,029
Total Liabilities	997,069	914,622
Stockholders' Equity:		
Preferred stock, $0.001 par value, 8,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, $0.001 par value, 80,000,000 shares authorized; 4,121,346 and 4,044,252 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	4,121	4,044
Additional paid-in capital	15,515,716	15,016,973
Subscriptions payable, 22,500 and -0- shares at March 31, 2024 and December 31, 2023, respectively	36,019	-
Accumulated deficit	(13,861,508)	(12,810,541)
Total Stockholders' Equity	1,694,348	2,210,476
Total Liabilities and Stockholders' Equity	$ 2,691,417	$ 3,125,098

See accompanying notes to financial statements.

BRANCHOUT FOOD INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2024	2023
Net revenue	$ 1,467,016	$ 97,340
Cost of goods sold	1,183,428	126,982
Gross profit (loss)	283,588	(29,642)
Operating expenses:		
General and administrative	319,736	180,900
Salaries and wages	598,286	251,810
Professional fees	390,666	144,141
Total operating expenses	1,308,688	576,851
Operating loss	(1,025,100)	(606,493)
Other income (expense):		
Interest income	2,877	2,845
Interest expense	(28,744)	(173,445)
Total other income (expense)	(25,867)	(170,600)
Net loss	$ (1,050,967)	$ (777,093)
Weighted average common shares outstanding - basic and diluted	4,109,467	3,001,909
Net loss per common share - basic and diluted	$ (0.26)	$ (0.26)

See accompanying notes to financial statements.

BRANCHOUT FOOD INC.
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Subscriptions Payable	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2023	-	$ -	4,044,252	$ 4,044	$15,016,973	$ -	$(12,810,541)	$ 2,210,476
Common stock issued for services	-	-	77,094	77	113,498	36,019	-	149,594
Stock options issued for services	-	-	-	-	376,384	-	-	376,384
Common stock warrants granted to note holders pursuant to debt financing	-	-	-	-	8,861	-	-	8,861
Net loss	-	-	-	-	-	-	(1,050,967)	(1,050,967)
Balance, March 31, 2024	-	$ -	4,121,346	$ 4,121	$15,515,716	$ 36,019	$(13,861,508)	$ 1,694,348

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Subscriptions Payable	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2022	-	$ -	3,001,909	$ 3,002	$3,742,101	$ -	$ (8,884,831)	$ (5,139,728)
Stock options issued for services	-	-	-	-	50,446	-	-	50,446
Net loss	-	-	-	-	-	-	(777,093)	(777,093)
Balance, March 31, 2023	-	$ -	3,001,909	$ 3,002	$3,792,547	$ -	$ (9,661,924)	$ (5,866,375)

See accompanying notes to financial statements.

BRANCHOUT FOOD INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2024	2023
Cash flows from operating activities		
Net loss	$ (1,050,967)	$ (777,093)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	56,336	55,823
Amortization of debt discounts	14,666	-
Common stock issued for services	149,594	-
Options and warrants issued for services	376,384	50,446
Decrease (increase) in assets:		
Accounts receivable	135,573	(11,026)
Advances on inventory purchases	(319,974)	(118,082)
Inventory	218,740	49,447
Other current assets	(31,437)	(189,573)
Right-of-use asset	8,454	-
Increase (decrease) in liabilities:		
Accounts payable	14,194	168,148
Accounts payable, related parties	12,000	15,750
Accrued expenses	(87,141)	99,567
Net cash used in operating activities	(503,578)	(656,593)
Cash flows from investing activities		
Purchase of property and equipment	(50,000)	-
Payments received on notes receivable	9,900	-
Net cash used in investing activities	(40,100)	-
Cash flows from financing activities		
Payment of deferred offering costs	-	(98,298)
Proceeds received on convertible notes payable, related parties	-	25,000
Proceeds received on convertible notes payable, unrelated parties	-	442,500
Proceeds received on notes payable	-	200,000
Repayment of notes payable	(200,000)	-
Proceeds received on notes payable, related parties	345,000	-
Repayments on revolving line of credit	-	(25,097)
Principal payments on finance lease	(7,411)	-
Net cash provided by financing activities	137,589	544,105
Net increase in cash	(406,089)	(112,488)
Cash and restricted cash - beginning of period	657,789	548,447
Cash - ending of period	$ 251,700	$ 435,959
Supplemental disclosures:		
Interest paid	$ 14,617	$ 39,593
Income taxes paid	$ -	$ -
Non-cash investing and financing transactions:		
Relative fair value of warrants issued as a debt discount	$ 8,861	$ -

See accompanying notes to financial statements.

BRANCHOUT FOOD INC.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

BranchOut Food Inc. (“BranchOut,” the “Company,” “we,” “our” or “us”) was incorporated as Avochips Inc. in Oregon on February 21, 2017, and converted into AvoLov, LLC, an Oregon limited liability company, on November 2, 2017. On November 19, 2021, the Company converted from an Oregon limited liability company into BranchOut Food Inc., a Nevada corporation. The Company is engaged in the development, marketing, sale, and distribution of plant-based, dehydrated fruit and vegetable snacks and powders. The Company’s products are currently manufactured for it by contract manufacturers based in South America and North America that produce dehydrated fruit and vegetable products for us using a new proprietary dehydration technology that the Company licenses from a third party. The Company’s customers are primarily located throughout the United States.

Basis of Accounting

The accompanying unaudited condensed financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial reporting and as required by pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of the Company’s management, the accompanying unaudited condensed financial statements contain all adjustments (consisting of items of a normal and recurring nature) necessary to present fairly the financial position as of March 31, 2024, the results of operations for the three months ended March 31, 2024 and 2023, and cash flows for the three months ended March 31, 2024 and 2023. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full year. The balance sheet as of December 31, 2023 was derived from our audited financial statements. The accompanying condensed financial statements and notes thereto should be read in conjunction with the audited financial statements for the year ended December 31, 2023, which were included in our Annual Report on Form 10-K. The Company follows the same accounting policies in the preparation of interim reports.

When preparing financial statements in conformity with GAAP, we must make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Going Concern

As shown in the accompanying condensed financial statements, as of March 31, 2024, the Company has incurred recurring losses from operations resulting in an accumulated deficit of $13,861,508, with working capital of only $ 399,444, which may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. Management believes these factors will contribute to achieving profitability. The accompanying condensed financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. These condensed financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities, that might be necessary should the Company be unable to continue as a going concern.

Nasdaq Delisting Notice

On April 11, 2024, we received a letter from The Nasdaq Stock Market stating that we were not in compliance with Nasdaq Listing Rule 5550(b)(1) (the "Rule") because our stockholders' equity of $2,210,476 as of December 31, 2023 was below the minimum requirement of $ 2,500,000. Pursuant to Nasdaq's Listing Rules, we have until May 28, 2024 to submit a plan (the "Compliance Plan") to regain compliance with the Rule, which, if accepted by Nasdaq, will provide us with an extension of up to 180 calendar days from April 11, 2024 to regain compliance with the Rule. We believe that we will regain compliance with the Rule by effecting sales of our equity securities. However, no assurance can be given that that the Compliance Plan will be accepted or that we will be able to consummate an equity financing within the time required by Nasdaq.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may 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 these estimates.

Segment Reporting

ASC 280, *Segment Reporting*, requires annual and interim reporting for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker in deciding how to allocate resources. The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Fair Value of Financial Instruments

The Company discloses the fair value of certain assets and liabilities in accordance with ASC 820 – Fair Value Measurement and Disclosures (ASC 820). Under ASC 820-10-05, the FASB establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

Cash and Cash Equivalents

Cash equivalents include money market accounts which have maturities of three months or less. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates market value. There were no cash equivalents on hand on March 31, 2024 or December 31, 2023.

Cash in Excess of FDIC Insured Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000, under current regulations. The Company had $ 1,700 and $407,789 in excess of FDIC insured limits on March 31, 2024 and December 31, 2023, respectively, and has not experienced any losses in such accounts.

Accounts Receivable

Accounts receivable is carried at their estimated collectible amounts. Trade accounts receivable is periodically evaluated for collectability based on past credit history with customers and their current financial condition. The Company had no allowance for doubtful accounts on March 31, 2024 or December 31, 2023.

Inventory

The Company's products consist of pre-packaged and bulk-dried fruit and vegetable-based snacks, powders and ingredients purchased from contract-manufacturers in Chile and/or Peru. The Company's contract manufacturer in Peru uses equipment purchased by the Company in its manufacturing process. Raw materials consist of packaging materials. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value. No reserve for obsolete inventories has been recognized. Inventory, consisting of raw materials and finished goods are stated at the lower of cost or net realizable value using the average cost valuation method, and consisted of the following as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Raw materials	$ 15,717	$ 13,734
Finished goods	102,348	323,071
Total inventory	$ 118,065	$ 336,805

The Company had prepaid inventory advances on product in the amount of $ 319,974 as of March 31, 2024. Advances of 70% of estimated finished product costs are made to enable manufacturers to purchase raw materials necessary to produce finished products. The remaining 30% of finished product costs are paid upon receipt of finished goods.

Property and Equipment

Property and equipment are stated at the lower of cost or estimated net recoverable amount. The cost of property, plant and equipment is depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets or the lease term based on the following life expectancy:

Office equipment	3 years
Furniture and fixtures	5 years
Equipment and machinery	5 years

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized, and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the cost and related accumulated depreciation are eliminated, and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. Impairment is measured using discounted cash flows of future operating results based upon a rate that corresponds to the cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations.

Our indefinite-lived brand names and trademarks acquired and are assigned an indefinite life as we anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by considering events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired. The Company expenses internally developed trademarks.

License Agreement

In 2021, the Company entered into a license agreement under which it acquired a license to utilize certain technology and production equipment developed and manufactured by another company relating to avocado products. The license is not discernible from the equipment; therefore, the license costs have been capitalized and depreciated over the useful life of the equipment. The license agreement also entitles the licensor to a royalty on all revenue from the sale of products produced using the equipment. These royalties are recognized as royalty expenses as the products are sold. There have been no royalty payments to date, and any future minimum royalty payments or equipment purchases under this license agreement are an unrecognized commitment as they relate to retaining exclusivity of the avocado products going forward. See Note 12, below.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customer*. Under ASC 606, the Company recognizes revenue from the sale of its plant-based snack products in accordance with a five-step model in which the Company evaluates the transfer of promised goods or services and recognizes revenue when customers obtain control of promised goods or services in an amount that reflects the consideration which the Company expects to be entitled to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The Company has elected, as a practical expedient, to account for the shipping and handling as fulfillment costs, rather than as separate performance obligations, and the related costs are recorded as selling expenses in general and administrative expenses in the statement of operations. Revenue is reported net of applicable provisions for discounts, returns and allowances. Methodologies for determining these provisions are dependent on customer pricing and promotional practices. The Company records reductions to revenue for estimated product returns and pricing adjustments in the same period that the related revenue is recorded. These estimates are based on industry-based historical data, historical sales returns, if any, analysis of credit memo data, and other factors known at the time.

The Company's sales are predominantly generated from the sale of finished products to retailers, and to a lesser extent, direct to consumers through third party website platforms. These sales contain a single performance obligation, and revenue is recognized at a single point in time when ownership, risks and rewards transfer. Typically, this occurs when the goods are received by the retailer or customer, or when the title of goods is exchanged. Revenues are recognized in an amount that reflects the net consideration the Company expects to receive in exchange for the goods.

The Company promotes its products with advertising, consumer incentives and trade promotions. These programs include discounts, slotting fees, coupons, rebates, in-store display incentives and volume-based incentives. Customer trade promotion and consumer incentive activities are recorded as a reduction to the transaction price based on amounts estimated as being due to customers and consumers at the end of a period. The Company derives these estimates based principally on historical utilization and redemption rates. The Company does not receive a distinct service in relation to the advertising, consumer incentives and trade promotions. Payment terms in the Company's invoices are based on the billing schedule established in contracts and purchase orders with customers.

Expenses such as slotting fees, sales discounts, and allowances are accounted for as a direct reduction of revenues as follows for the three months ended March 31, 2024 and 2023:

	For the Three Months Ended March 31,	
	2024	2023
Revenue	$ 1,470,836	$ 110,579
Less: slotting, discounts, and allowances	3,820	13,239
Net revenue	$ 1,467,016	$ 97,340

Cost of Goods Sold

Cost of goods sold represents costs directly related to the purchase, production and manufacturing of the Company's products. Costs include purchase costs, product development, freight-in, packaging, and print production costs.

Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was $ 57,059 and $36,669 for the three months ended March 31, 2024 and 2023, respectively.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees and non-employees in accordance with the provisions of ASC 718 Stock Compensation ("ASC 718"). All transactions in which the consideration provided in exchange for the purchase of goods or services consists of the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

The Company issued stock-based compensation in the amount of $ 525,978 and $50,446 for the three months ended March 31, 2024 and 2023, respectively.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

In July 2023, the FASB issued Accounting Standards Update ("ASU") 2023-03 to amend various SEC paragraphs in the Accounting Standards Codification to primarily reflect the issuance of SEC Staff Accounting Bulletin No. 120. ASU No. 2023-03, "*Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision of Regulation S-X: Income or Loss Applicable to Common Stock.*" ASU 2023-03 amends the ASC for SEC updates pursuant to SEC Staff Accounting Bulletin No. 120; SEC Staff Announcement at the March 24, 2022 Emerging Issues Task Force ("EITF") Meeting; and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 - General Revision of Regulation S-X: Income or Loss Applicable to Common Stock. These updates were immediately effective and did not have a significant impact on our financial statements.

Note 2 – Related Party Transactions

Accounts Payable

As of March 31, 2024, the Company owed Eagle Vision Ventures, Inc., a Company owned by our Chief Financial Officer, John Dalfonsi, $ 12,500 for services rendered.

Debt Financing

On January 9, 2024, the Company completed the sale of $ 400,000 of Senior Secured Promissory Notes ("Notes") and Warrants ("Warrants") to purchase an aggregate of 100,000 shares of the Company's common stock, to a group of six investors (the "Investors") led by Eagle Vision Fund LP ("Eagle Vision"), an affiliate of John Dalfonsi, CFO of the Company, pursuant to a Subscription Agreement between the Company and the Investors (the "Subscription Agreement").

Pursuant to the Subscription Agreement, Eagle Vision was paid a cash fee in the amount of $ 40,000 upon the closing of the transaction for due diligence fees in consideration of services rendered and to be rendered by Eagle Vision to the Company and the Investors, including conducting due diligence with respect to the Company, monitoring the performance by the Company of its obligations under the Senior Secured Notes, servicing the interest and principal payments for purchasers, engaging in ongoing discussions with the Company's management regarding the Company's operations and financial condition, acting as collateral agent, and evaluating financial and non-financial information related to the Company, which services are to be provided by Eagle Vision until the Senior Secured Notes have been paid in full, and $15,000 of legal fees was paid to Eagle Vision's counsel.

The Notes mature on the earlier of December 31, 2024, or the occurrence of a Qualified Subsequent Financing or Change of Control (as such terms are defined in the Subscription Agreement) and bear interest at a rate of 15% per annum. In addition, the Notes are subject to covenants, events of defaults and other terms and conditions set forth in the Subscription Agreement. The Company's obligations under the Notes are secured by liens on substantially all of the Company's assets pursuant to the terms of a Security Agreement between the Company and the Investors.

Each Warrant is exercisable for a ten-year period at an exercise price of $ 2.00 per share.

Common Stock Options Issued for Services

On February 22, 2024, the Company granted options to purchase 140,000 shares of the Company's common stock, having an exercise price of $ 1.92 per share, exercisable over a 10-year term, to the Company's CEO. The options vested immediately.

On February 22, 2024, the Company granted options to purchase 75,000 shares of the Company's common stock, having an exercise price of $ 1.92 per share, exercisable over a 10-year term, to the Company's CFO. The options vested immediately.

On February 22, 2024, the Company also granted options to purchase an aggregate 79,166 shares of the Company's common stock, having an exercise price of $1.92 per share, exercisable over a 10-year term, to a total of three of the Company's directors. The options vested immediately.

Note 3 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has cash, notes receivable, derivative liabilities and debts that must be measured under the fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of March 31, 2024 and December 31, 2023:

	Fair Value Measurements at March 31, 2024		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 251,700	$ -	$ -
Right-of-use-asset	-	-	138,774
Notes receivable	-	374,728	-
Total assets	251,700	374,728	138,774
Liabilities			
Notes payable	-	34,500	-
Notes payable, related parties, net of $49,195 of discounts	-	350,805	-
Lease liability	-	-	124,519
Total liabilities	-	385,305	124,519

	Fair Value Measurements at December 31, 2023		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 657,789	$ -	$ -
Right-of-use-asset	-	-	147,228
Notes receivable	-	384,628	-
Total assets	657,789	384,628	147,228
Liabilities			
Notes payable	-	235,000	-
Lease liability	-	-	131,930
Total liabilities	-	235,000	131,930

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the three months ended March 31, 2024, or the year ended December 31, 2023.

Note 4 – Major Customers and Accounts Receivable

The Company had certain customers whose revenue individually represented 10% or more of the Company's total net revenue, or whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, as follows:

For the three months ended March 31, 2024, one customer accounted for 99% of net revenue and 93% of accounts receivable at the end of the period, and for the three months ended March 31, 2023, four customers accounted for 91% of net revenue and 97% of accounts receivable at the end of the period.

Note 5 – Other Current Assets

Other current assets consisted of the following as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Prepaid insurance costs	$ 2,087	$ 2,403
Prepaid advertising and trade show fees	8,523	20,106
Prepaid professional fees & license fees	46,540	6,056
Interest receivable	22,387	19,535
Total other current assets	$ 79,537	$ 48,100

Note 6 – Property and Equipment

Property and equipment as of March 31, 2024 and December 31, 2023 consisted of the following:

	March 31, 2024	December 31, 2023
Equipment and machinery	$ 1,283,334	$ 1,233,334
Less: Accumulated depreciation	(374,671)	(318,335)
Total property and equipment, net	$ 908,663	$ 914,999

Depreciation of property and equipment was $ 56,336 and $55,823 for the three months ended March 31, 2024 and 2023, respectively.

Note 7 – Notes Receivable

Nanuva Note Receivable

On February 4, 2021, the Company entered into a Manufacturing and Distributorship Agreement (“MDA”) with Natural Nutrition SpA, a Chilean company (“Nanuva”), in which the Company loaned $500,000 to Nanuva (“Advance Payment”) to help finance the capital investment needed for Nanuva to purchase two industrial fruit drying machines to be used in servicing the Company’s manufacturing needs. Pursuant to the MDA, the Company is entitled to recover the Advance Payment in full no later than May 31, 2027, which prior to repayment, will bear interest at 3% per annum. The Advance Payment is to be repaid pursuant to a two-dollar ($2/kg) deduction in the price of any product exported by Nanuva to the Company with certain mandatory minimum annual payments. Repayments commence on the earlier of a) the first invoice issued by Nanuva after installation of the drying equipment, or b) June 30, 2021. The MDA expires on May 31, 2027, with automatic annual renewals thereafter, unless it is terminated in accordance with the terms of the MDA. The Company deferred collection of the minimum annual payment requirement for 2023 until 2024 when several large orders were placed. As of March 31, 2024, a total of $131,594 of the Advance Payment had been repaid as a reduction of inventory costs, consisting of $ 115,372 of principal and $16,222 of interest. All payments consisted of reductions in inventory costs, other than a payment of $ 15,000 in cash on March 24, 2021. As of March 31, 2024, a total of $397,115 was outstanding from Nanuva, consisting of $ 374,728 of principal and $ 22,387 of unpaid interest. As of December 31, 2023, a total of $404,163 was outstanding from Nanuva, consisting of $ 384,628 of principal and $ 19,535 of unpaid interest. The Advance Payment is collateralized by a second lien in the equipment. Pursuant to the MDA, the Company has been appointed as Nanuva’s exclusive distributor in the following territories:

Product	Exclusivity Territories	Minimum Volume (Kg/month)(“MOQ”)
Avocado Powder	Worldwide (except Chile)	1,000
Banana Chips	Worldwide (except Chile)	1,000
Avocado Snacks	North America (Canada and USA)	1,000
Avocado Chips	Worldwide	1,000
Other Powders	No Exclusivity	-0-

Note 8 – Accrued Expenses

Accrued expenses consisted of the following as of March 31, 2024 and December 31, 2023, respectively:

	March 31,2024	December 31, 2023
Accrued payroll and taxes	$ 38,371	$ 43,376
Accrued interest	2,038	2,577
Accrued chargebacks	37,694	119,291
Total accrued expenses	$ 78,103	$ 165,244

Note 9 – Notes Payable

On March 15, 2023, the Company completed the sale of a $ 200,000 Promissory Note to The John & Kristen Hinman Trust Dated February 23, 2016 (the “Hinman Note”), pursuant to the Loan Agreement between the Company and the Hinman Trust. The Hinman Note bears interest at 18% per annum, based on a 360-day year, and carried a monthly default rate of 1.5% of all outstanding principal, interest, fees and penalties. The Hinman Note matured on January 10, 2024, as amended, and was secured by the Company’s accounts receivable from Walmart before being repaid on January 2, 2024.

On May 17, 2020, the Company entered into a loan agreement with the United States Small Business Administration (the “SBA”), as lender, pursuant to the SBA’s Economic Injury Disaster Loan (“EIDL”) assistance program in light of the impact of the COVID-19 pandemic on the Company’s business (the “EIDL Loan Agreement”) encompassing a $34,500 Promissory Note issued to the SBA (the “EIDL Note”) (together with the EIDL Loan Agreement, the “EIDL Loan”), bearing interest at 3.75% per annum. In connection with entering into the EIDL Loan, the Company also executed a security agreement, dated May 17, 2020, between the SBA and the Company pursuant to which the EIDL Loan is secured by a security interest on all of the Company’s assets. Under the EIDL Note, the Company is required to pay principal and interest payments of $169 every month beginning May 17, 2021; however, the SBA extended the repayment date to November 17, 2022. All remaining principal and accrued interest is due and payable on May 17, 2050. The

EIDL Note may be repaid at any time without penalty. The principal balance of the EIDL Loan was $34,500 as of March 31, 2024 and December 31, 2023.

Notes payable consists of the following as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Total notes payable	$ 34,500	$ 234,500
Less: current maturities	-	200,000
Notes payable, less current maturities	$ 34,500	$ 34,500

The Company recognized $598 and $88,485 of interest expense on notes payable for the three months ended March 31, 2024 and 2023, respectively.

Note 10 – Notes Payable, Related Parties

On January 9, 2024, the Company completed the sale of $ 400,000 of Senior Secured Promissory Notes ("Notes") and Warrants ("Warrants") to purchase an aggregate of 100,000 shares of the Company's common stock, to a group of six investors (the "Investors") led by Eagle Vision Fund LP ("Eagle Vision"), an affiliate of John Dalfonsi, CFO of the Company, pursuant to a Subscription Agreement between the Company and the Investors (the "Subscription Agreement"). Each Warrant is exercisable for a ten-year period at an exercise price of $2.00 per share.

Pursuant to the Subscription Agreement, Eagle Vision was paid a cash fee in the amount of $ 40,000 upon the closing of the transaction for due diligence fees, and $15,000 of legal fees was paid to Eagle Vision's counsel.

The Notes mature on the earlier of December 31, 2024, or the occurrence of a Qualified Subsequent Financing or Change of Control (as such terms are defined in the Subscription Agreement) and bear interest at a rate of 15% per annum. In addition, the Notes are subject to covenants, events of defaults and other terms and conditions set forth in the Subscription Agreement. The Company's obligations under the Notes are secured by liens on substantially all of the Company's assets pursuant to the terms of a Security Agreement between the Company and the Investors.

In accordance with ASC 470, the Company recorded total discounts of $ 63,861, including $8,861 on the relative fair value of the Warrants, incurred as of March 31, 2024. The discounts are being amortized to interest expense over the term of the debentures using the effective interest method. The Company recorded an aggregate $14,666 of interest expense pursuant to the amortization of note discounts for the three months ended March 31, 2024. As of March 31, 2024, there were $49,195 of unamortized expenses expected to be expensed over the remaining life of the outstanding debt.

The Company recognized $28,146 of interest expense on notes payable, related parties for the three months ended March 31, 2024, consisting of $13,480 of stated interest expense, $2,034 of amortized debt discounts and $12,632 of amortized debt discounts due to warrants.

The Company recognized aggregate interest expense for the three months ended March 31, 2024 and 2023 respectively, as follows:

	March 31, 2024	March 31, 2023
Interest on convertible notes payable, related parties	$ -	$ 2,192
Interest on convertible notes payable	-	80,761
Interest on notes payable	598	84,739
Interest on notes payable, related parties	13,480	-
Amortization of debt discounts on related party notes	12,632	-
Amortization of debt discounts on related party notes, warrants	2,034	-
Interest on revolving line of credit	-	4,946
Interest on credit cards	-	807
Total interest expense	$ 28,744	$ 173,445

Note 11 – Leases

The Company has financed production equipment with an acquisition cost of approximately $ 168,141 under a finance lease with a five-year term and a bargain purchase price of $1.00 at the end of the lease term. The finance lease commenced on May 9, 2023 and expires on August 31, 2027, with monthly lease payments of $3,657 commencing June 1, 2023, subject to the ASU 2016-02. As the Company's lease does not provide implicit discount rates, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The components of lease expense were as follows:

	For the Three Months Ended March 31,	
	2024	2023
Finance lease cost:		
Amortization of right-of-use asset	$ 8,454	$ -
Interest on lease liability	3,561	-
Total finance lease cost	$ 12,015	$ -

Supplemental balance sheet information related to leases was as follows:

	March 31, 2024	December 31, 2023
Finance lease:		
Finance lease assets	$ 138,774	$ 147,228
Current portion of finance lease liability	$ 31,758	30,901
Noncurrent finance lease liability	92,761	101,029

Total finance lease liability	$ 124,519	$ 131,930
Weighted average remaining lease term:		
Finance lease	3.12 years	3.35 years
Weighted average discount rate:		
Finance lease	11.00%	11.00%

Supplemental cash flow and other information related to finance leases was as follows:

	For the Three Months Ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Finance cash flows used for finance leases	$ 7,411	$ -

The future minimum lease payments due under finance leases as of March 31, 2024 is as follows:

Year Ending December 31,	Minimum Lease Commitments
2024 (for the nine months remaining)	$ 32,914
2025	43,886
2026	43,886
2027	29,258
	149,944
Less effects of discounting	25,425
Lease liability recognized	$ 124,519

Note 12 – Commitments and Contingencies

Legal Matters

From time to time, the Company may be a party to various legal matters, threatened claims, or proceedings in the normal course of business. Legal fees and other costs associated with such actions are expensed as incurred. The Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and contingencies. Legal accruals are recorded when and if it is determined that a loss related to a certain matter is both probable and reasonably estimable.

Finance Lease

The Company leases equipment under a non-cancelable finance lease payable in monthly installments of $ 3,657 expiring on August 31, 2027.

Other Contractual Commitments

On January 19, 2022, the Company entered into a contract manufacturing agreement with NXTDried Superfoods SAC to produce products for distribution by the Company. The Company agreed to pre-pay for inventory via an advance to enable the manufacturer to invest in necessary processing facilities that will be reimbursed to the Company on an agreed per kg basis over the period of 2022 to 2026.

On May 7, 2021, the Company entered into a license agreement ("License Agreement") with EnWave, pursuant to which EnWave licensed to the Company a collection of patents and intellectual property (the "EnWave Technology") used to manufacture and operate vacuum microwave dehydration machines purchased by the Company from EnWave (the "EnWave Equipment"). The License Agreement entitles EnWave to a fixed royalty percentage on all of the Company's revenue from the sale of products produced using the EnWave Technology, net of trade or volume discounts, refunds paid, settled claims for damaged goods, applicable excise, sales and withholding taxes imposed at the time of the sale, and provides the Company with certain exclusivity rights with respect to the production of avocado products. In order to maintain the exclusivity, the Company agreed to annual royalty minimum payments as follows:

Year	Exclusivity Retention Royalty
2024	$ 100,000
2025	250,000
2026	250,000
2027	250,000
Total*	$ 850,000

* The unrecognized commitment thereafter is $ 250,000 in perpetuity, as long as the Company elects to maintain exclusivity.

In addition to the initial EnWave Equipment we purchased, the Company agreed to purchase additional equipment from EnWave over time. The additional equipment purchase schedule, as amended, requires the Company to purchase a "Second EnWave Machine" and pay up-to four non-refundable deposits for the Second EnWave Machine in the amount of fifty thousand dollars ($50,000) each on September 30, 2023, December 31, 2023, March 31, 2024 and June 30, 2024 (the "Interim Deposits"). The Company paid the first three non-refundable deposits of $50,000 on September 27, 2023, December 31, 2023 and March 8, 2024. The Company is also required to execute an Equipment Purchase Agreement for a 120kW, or greater rated power, EnWave Equipment (the "Third EnWave Machine") on or before December 31, 2025, and satisfy the payment obligations required with respect to the Third EnWave Machine by the License Agreement. The Company is also required to enter into an Equipment Purchase Agreement for a 120kW, or greater, rated power EnWave Equipment (the "Fourth EnWave Machine") on, or before, December 31, 2026, and to satisfy the payment obligations required with respect to the Fourth EnWave Machine by the License Agreement. The License Agreement is effective as long as EnWave possesses its EnWave technology. There have been no royalty payments to date, and any future minimum royalty payments or equipment purchases under this license agreement are an unrecognized commitment, as they relate to retaining exclusivity of the avocado products going forward and the Company can elect not to pay.

Note 13 – Changes in Stockholders' Equity

Preferred Stock

The Company has authorized 8,000,000 shares of $0.001 par value preferred stock. As of March 31, 2024, none of the preferred stock had been designated or issued.

Common Stock

The Company has authorized 80,000,000 shares of $0.001 par value common stock. As of March 31, 2024, a total of 4,121,346 shares of common stock had been issued. Each holder of common stock is entitled to one vote for each share of common stock held.

Common Stock Issued for Services

On February 19, 2024, the Company issued 16,836 shares under the Company's 2022 Omnibus Equity Incentive Plan (the "2022 Equity Plan"), to its securities counsel for services performed. The fair value of the shares was $44,278, based on the closing traded price of the common stock on the date of grant.

On January 26, 2024, the Company issued 60,258 shares under the 2022 Equity Plan, to its securities counsel for services performed. The fair value of the shares was $69,297, based on the closing traded price of the common stock on the date of grant .

On January 5, 2024, the Company retained PCG Advisory, Inc. ("PCG") to provide strategic advisory and investor relations services pursuant to an Advisory Agreement under which the Company agreed to issue PCG an aggregate 22,500 shares of the Company's common stock as payment for services in lieu of cash for the months of January, February, and March 2024. The aggregate fair value of the shares was $36,019, based on the closing traded price of the common stock on the dates of grant. The shares were subsequently issued on April 15, 2024 under the 2022 Equity Plan, and were recognized as subscriptions payable at March 31, 2024.

Note 14 – Common Stock Options

Stock Incentive Plan

Our board of directors and shareholders adopted the 2022 Equity Plan on January 1, 2022. The 2022 Equity Plan allows for the grant of a variety of equity vehicles to provide flexibility in implementing equity awards, including nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, incentive bonus awards, other cash-based awards and other stock-based awards. The number of shares reserved for issuance under the 2022 Equity Plan was initially an aggregate of 600,000 shares, as adjusted on June 15, 2023 in connection with the Company's reverse stock split, subject to annual increases under the plan. There were 563,470 options with a weighted average exercise price of $2.39 per share, and a weighted average remaining life of approximately 9 years, outstanding as of March 31, 2024.

Common Stock Options Issued for Services

On February 22, 2024, the Company granted options to purchase an aggregate 315,000 shares of the Company's common stock, having an exercise price of $1.92 per share, exercisable over a 10-year term, to a total of six employees, including options to purchase 140,000 and 75,000 shares issued to the Company's CEO and CFO, respectively. The options vested immediately. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 41% and a call option value of $0.8581, was $270,296.

On February 22, 2024, the Company also granted options to purchase an aggregate 79,166 shares of the Company's common stock, having an exercise price of $1.92 per share, exercisable over a 10-year term, to a total of three of the Company's directors. The options vested immediately. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 41% and a call option value of $1.1407, was $90,306.

Note 15 – Common Stock Warrants

Warrants to purchase a total of 577,251 shares of common stock at a weighted average exercise price of $ 5.99 per share, with a weighted average remaining life of 7 years, were outstanding as of March 31, 2024.

Warrants Issued Pursuant to Debt Offering

On January 9, 2024, the Company issued warrants to purchase an aggregate total of 100,000 shares of common stock at an exercise price of $ 2.00 per share in connection with the sale of senior secured promissory notes to a group of six investors led by Eagle Vision Fund LP, in the aggregate principal amount of $400,000. The proceeds received were allocated between the debt and warrants on a relative fair value basis. The relative aggregate estimated value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 40% and a weighted average call option value of $0.5990, was $8,861, of which $2,034 was recognized as finance expense during the three months ended March 31, 2024. As of March 31, 2024, there was $6,827 of unamortized expenses expected to be expensed over the remaining life of the outstanding debt.

Note 16 - Income Taxes

The Company incurred a net operating loss for the three months ended March 31, 2024, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. On March 31, 2024, the Company had approximately $8.5 million of federal net operating losses. The net operating loss carry forwards, if not utilized, will begin to expire in 2041.

The effective income tax rate for the three months ended March 31, 2024 and 2023, was 21%.

The Company has incurred cumulative losses which make realization of a deferred tax asset difficult to support in accordance with ASC 740. Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, a valuation allowance has been recorded against the Federal and state deferred tax assets as of March 31, 2024 and December 31, 2023.

Additionally, in accordance with ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 17 – Subsequent Events

The Company evaluates events that have occurred after the balance sheet date through the date these financial statements were issued , noting no reportable event, except as follows:

Common Stock Issued for Services

On May 1, 2024, the Company issued 4,766 shares of the Company's common stock under the 2022 Equity Plan to PCG as payment for services in lieu of cash. The fair value of the shares was $11,438, based on the closing traded price of the common stock on the date of grant .

On April 22, 2024, the Company issued 99,688 shares under the 2022 Equity Plan to its securities counsel for services performed. The fair value of the shares was $109,657, based on the closing traded price of the common stock on the date of grant .

On April 15, 2024, the Company issued 22,500 shares of the Company's common stock under the 2022 Equity Plan to PCG in satisfaction of the subscriptions payable at March 31, 2024, as payment of shares for services in lieu of cash for the months of January, February, and March 2024. The aggregate fair value of the shares was $36,019, based on the closing traded price of the common stock on the dates of grant .

On April 1, 2024, the Company issued 4,988 shares of the Company's common stock under the 2022 Equity Plan to PCG as payment for services in lieu of cash. The fair value of the shares was $9,577, based on the closing traded price of the common stock on the date of grant .

Options Granted

On May 1, 2024, the Company granted options to purchase 30,000 shares of the Company's common stock, having an exercise price of $ 2.40 per share, exercisable over a 10-year term, to a new employee. The options will vest monthly over three years from the date of grant.

Debt Financing

On April 16, 2024, the Company completed the sale of $ 225,000 of Senior Secured Promissory Notes, and Warrants to purchase an aggregate of 56,250 shares of the Company's common stock, to a group of seven investors pursuant to a First Amendment to Subscription Agreement between the Company and the Investors dated as of April 16, 2024 (the "First Amendment"). The First Amendment incorporates and amends certain provisions of the Subscription Agreement, dated January 9, 2024, previously entered into by the Company and investors that purchased Notes and Warrants from the Company on January 9, 2024 (the "January Investors").

The promissory notes mature on the earlier of December 31, 2024, or the occurrence of a Qualified Subsequent Financing or Change of Control (as such terms are defined in the Subscription Agreement) and bear interest at a rate of 15% per annum. In addition, the promissory notes are subject to covenants, events of defaults and other terms and conditions set forth in the subscription agreement. The Company's obligations under the promissory notes are secured by liens on substantially all of the Company's assets pursuant to the terms of the Security Agreement entered into by the Company on January 9, 2024 in favor of holders of the promissory notes.

Each Warrant is exercisable for a ten-year period at an exercise price of $2.00 per share.

Pursuant to the First Amendment, $10,000 of the proceeds received by the Company were used to pay legal fees of counsel to the Investors.

The First Amendment also (i) increases the aggregate principal amount of promissory notes available to be sold from time to time under the Subscription Agreement from $400,000 to $2,000,000, (ii) increases the number of shares of common stock of the Company available to be issued under Warrants sold from time to time under the Subscription Agreement from 100,000 to 600,000, (iii) provides for an aggregate one-time payment in the amount of $46,290 to the January Investors and the issuance to them of Warrants to purchase 100,000 shares of common stock, in consideration of their agreement to enter into the First Amendment, and (iv) provides for the payment of up to $80,000 to Eagle Vision with the proceeds of the promissory notes to be issued by the Company at subsequent closings of sales of the promissory notes and warrants, in consideration of services rendered and to be rendered by Eagle Vision to the Company and the Purchasers, including conducting due diligence with respect to the Company, monitoring the performance by the Company of its obligations under the Senior Secured Notes, servicing the interest and principal payments for purchasers, engaging in ongoing discussions with the Company's management regarding the Company's operations and financial condition, acting as collateral agent, and evaluating financial and non-financial information related to the Company, which services are to be provided by Eagle Vision until the Senior Secured Notes have been paid in full.

Peru Facility Lease

During the fourth quarter of 2023, our contract manufacturer located in Peru became involved in a legal dispute with a third-party creditor, which resulted in that manufacturer suspending operations. As a result of this dispute, we were not able to utilize our dehydration machine that was previously operated by this manufacturer, and were required to shift fulfillment of orders to alternative manufacturing sources. On May 10, 2024 we entered into a ten-year lease for a 50,000 square-foot food processing plant located in Peru (the "Peru Facility"). We expect to relocate our dehydration machine to the Peru Facility along with a new large-scale machine we recently ordered form Enwave, and resume our Peruvian manufacturing operations there in the third quarter of 2024. The lease of the Peru Facility requires us to make monthly lease payments of $8,000 in the first two years of the lease, $ 20,000 in the third year of the lease, $22,000 in the fourth year of the lease, $ 24,000 in the fourth year of the lease, and $ 25,000 thereafter. The lease also has a 10-year renewal option, and a buy-out option under which we may purchase the Peru Facility for $1,865,456.

In connection with our lease of the Peru Facility, we purchased a first position mortgage receivable in the amount of $ 1,267,000, which is secured by the Peru Facility and was owed by the landlord of the Peru Facility to its former tenant, for a purchase price of $1,267,000, of which $275,000 was paid by us on May 10, 2024. The remaining $992,000 will be due and payable by us on August 10, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the condensed financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023. In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

Overview

We were incorporated as Avochips Inc., an Oregon corporation, on February 21, 2017, and on November 2, 2017, we converted into Avochips, LLC, an Oregon limited liability company. On November 19, 2021, we converted from an Oregon limited liability company into BranchOut Food Inc., a Nevada corporation.

We are engaged in the development, marketing, sale, and distribution of plant-based, dehydrated fruit and vegetable snacks and powders. Our products have historically been manufactured for us by two contract manufacturers, one based in the Republic of Chile, and the other in the Republic of Peru. The manufacturing facility in Peru houses our new large-scale continuous through-put dehydration machine that completed its first production run in the first quarter of 2023, and which substantially increased our production capacity. Our dehydrated fruit and vegetable products are produced using a new proprietary dehydration technology licensed by us from a third party. Our customers are primarily located throughout the United States.

Using our licensed technology platform, we believe our lines of both branded and private-labeled food products positively address current consumer trends. In our experience, conventional dehydration methods, such as freeze-drying and air drying, tend to degrade most fruit and vegetables through oxidation, browning/color degradation, nutritional content reduction and/or flavor loss. As a result, certain highly sensitive fruits, such as avocados and bananas, have not previously been successfully offered as a dehydrated base for consumer products. We believe that our licensed technology platform and process is the only way to produce quality avocado and banana-based snack and powdered products. Additionally, we believe our licensed technology platform produces superior products when using other fruits and vegetables when compared to conventional drying and dehydration technologies. We license technology, consisting of a portfolio of patents, and purchased production machines, from Enwave, and we have been granted the exclusive rights to use the licensed technology platform as applied to avocados. In addition, BranchOut has the nonexclusive rights to use the licensed technology platform for other products.

We entered into a private labeling contract with one of the world's largest retailers in late 2022 to supply the retailer with two products for placement in half of their domestic stores. In April 2023, the same retailer agreed to carry two additional products of ours in certain of their stores. In April 2024, we announced that we had entered into an additional contract with this retailer that is expected to result in our products being placed in a total of 1,400 of its stores in September, 2024, and increase the total annualized revenues that we may generate from this retailer to $8 million.

Our Products

We plan to grow revenues strategically by penetrating the multi-billion dollar grocery market opportunity presented by our current product lines, as well as expanding our platform to include additional products that meet our strict plant-based ingredient criteria. Our current primary branded products are:

- BranchOut Snacks: dehydrated fruit and vegetable-based snacks, including Avocado Chips, Chewy Banana Bites, Pineapple Chips, Brussels Sprout Crisps and Bell Pepper Crisps.
- BranchOut Powders: Avocado Powder, Banana Powder and Blueberry Powder.
- BranchOut Industrial Ingredients: Bulk Avocado Powder, dried avocado pieces and other fruit powders/pieces.

We are currently developing additional products, including chocolate covered fruit items and private label products for large retailers.

Going Concern Uncertainty

As of March 31, 2024, the Company has incurred recurring losses from operations resulting in an accumulated deficit of $13,861,508, with working capital of only $399,444. We are too early in our development stage to project revenue with a necessary level of certainty; therefore, we may not have sufficient funds to sustain our operations for the next twelve months and we may need to raise additional cash to fund our operations. These factors raise substantial doubt about our ability to continue as a going concern. The Company continues to develop its operations. In the event sales do not materialize at the expected rates, management would seek additional financing or would attempt to conserve cash by further reducing expenses. There can be no assurance that we will be successful in achieving these objectives.

The condensed financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The condensed financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern. Our ability to scale production and distribution capabilities and further increase the value of our brands, is largely dependent on our success in raising additional capital.

Access to our Equipment in Peru; NXTDried Superfoods

During the fourth quarter of 2023, NXTDried Superfoods, our contract manufacturer located in Peru, became involved in a legal dispute with its landlord and another third party, which resulted in that manufacturer suspending operations. As a result of such dispute, we currently do not have access to the dehydration machine that was previously operated by this manufacturer. Although we have been able to continue to fulfill orders by shifting fulfillment to other manufacturing sources, our costs of goods are expected to increase as a result. In addition, if we are unable to regain access to our dehydration machine and utilize it for the production of our products, our operating results may be materially and adversely affected. In addition, during 2023, we recognized $761,085 of impairment expense, consisting of $485,265, $243,305 and $32,515 on the collectability of a note receivable, VAT taxes receivable and prepaid inventory, respectively, owed to us by NXTDried Superfoods.

Peru Facility Lease

Given the situation with NXTDried Superfoods, we were required to shift fulfillment of orders to alternative manufacturing sources. On May 10, 2024 we entered into a ten-year lease for a 50,000 square-foot food processing plant located in Peru. We expect to relocate our dehydration machine to the Peru Facility along with a new large-scale machine we recently ordered form Enwave, and resume our Peruvian manufacturing operations there in the third quarter of 2024. The lease of the Peru Facility requires us to make monthly lease payments of $8,000 in the first two years of the lease, $20,000 in the third year of the lease, $22,000 in the fourth year of the lease, $24,000 in the fourth year of the lease, and $25,000 thereafter. The lease also has a 10-year renewal option, and a buy-out option under which we may purchase the Peru Facility for $1,865,456.

In connection with our lease of the Peru Facility, we purchased a first position mortgage receivable in the amount of $1,267,000, which is secured by the

Peru Facility and was owed by the landlord of the Peru Facility to its former tenant, for a purchase price of $1,267,000, of which $275,000 was paid by us on May 10, 2024. The remaining $992,000 will be due and payable by us on August 10, 2024.

Results of Operations for the Three Months Ended March 31, 2024 and 2023

The following table summarizes selected items from the statement of operations for the three months ended March 31, 2024 and 2023, respectively.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Increase / (Decrease)
Net revenue	$ 1,467,016	$ 97,340	$ 1,369,676
Cost of goods sold	1,183,428	126,982	1,056,446
Gross profit	283,588	(29,642)	313,230
Operating expenses:			
General and administrative	319,736	180,900	138,836
Salaries and benefits	598,286	251,810	346,476
Professional services	390,666	144,141	246,525
Total operating expenses	1,308,688	576,851	731,837
Operating loss	(1,025,100)	(606,493)	418,607
Other income (expense):			
Interest income	2,877	2,845	32
Interest expense	(28,744)	(173,445)	(144,701)
Total other income (expense)	(25,867)	(170,600)	(144,733)
Net loss	$ (1,050,967)	$ (777,093)	$ 273,874

Net Revenue

Our net revenue for the three months ended March 31, 2024 was $1,467,016, compared to $97,340 for the three months ended March 31, 2023, an increase of $1,056,446, or 1,407%. The increase in revenue was primarily due to increased sales to our largest customer during the three months ended March 31, 2024.

Cost of Goods Sold and Gross Profit

Our cost of goods sold for the three months ended March 31, 2024 was $1,183,428, compared to $126,982 for the three months ended March 31, 2023, an increase of $1,056,446, or 832%. Cost of goods sold increased primarily due to increased sales during the three months ended March 31, 2024. As a result of the foregoing, we had gross profit of $283,588, representing gross margins of 19%, for the three months ended March 31, 2024 as compared to a gross loss of $29,642, or negative gross margins of 30%, for the three months ended March 31, 2023. Our gross profit margin increased primarily due to cost savings realized as a result of our transition to bulk shipping arrangements during the current period. Cost of goods sold included depreciation expense for the three months ended March 31, 2024 of $56,336, compared to $55,823 for the three months ended March 31, 2023, an increase of $513, or 1%.

General and Administrative

Our general and administrative expense for the three months ended March 31, 2024 was $319,736, compared to $180,900 for the three months ended March 31, 2023, an increase of $138,836, or 77%. The largest components of our general and administrative expenses are advertising and marketing, travel, commissions, and storage, shipping and handling expense, as shown below.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Difference	% change
Advertising and marketing	$ 57,059	$ 36,669	$ 20,390	56%
Travel	$ 41,410	$ 24,940	$ 16,470	66%
Storage, shipping and handling	$ 104,437	$ 22,890	$ 81,547	356%
Commissions	$ 66,514	$ 25,265	$ 41,249	163%

Advertising and marketing expenses increased for the three months ended March 31, 2024, compared to the corresponding period in 2023, as we focused our resources on our IPO in the prior period. Our travel expenses increased for the same reason, as we resumed our international travel after the IPO that was completed in the prior year. Storage, shipping and handling expenses increased primarily due to increased international shipping rates and increased production that was driven by our increased sales. Likewise, commissions increased due to our increased sales.

Salaries and Wages

Salaries and wages for the three months ended March 31, 2024 was $598,286, compared to $251,810 for the three months ended March 31, 2023, an increase of $346,476, or 138%. This increase was primarily attributable to $376,384 of non-cash, stock-based compensation related to stock options awarded during the current period.

Professional Fees

Professional fees for the three months ended March 31, 2024 was $390,666, compared to $144,141 for the three months ended March 31, 2023, an increase of $246,525, or 171%. This increase was primarily attributable to increased legal and consulting fees in the current period, as a portion of these fees were capitalized as offering costs on our IPO in the comparative period. Professional fees included $149,594 and $50,446 of non-cash, stock-based compensation for the three months ended March 31, 2024 and 2023, respectively.

Other Income (Expense)

In the three months ended March 31, 2024, other expense was $25,867 on a net basis, consisting of $28,744 of interest expense, as partially offset by $2,877 of interest income. For the three months ended March 31, 2023, other expense was $170,600 on a net basis, consisting of $173,445 of interest expense, as partially offset by $2,845 of interest income. Other expense decreased by $144,733, or 85%, primarily due to the decreased interest on debt which was mostly settled in June of 2023.

Net loss

Net loss for the three months ended March 31, 2024 was $1,050,967, compared to $777,093 for the three months ended March 31, 2023, an increase of $273,874, or 35%. The increased net loss was primarily due to increased non-cash, stock-based compensation costs, and compliance costs related to reporting as a public company, as partially offset by decreased interest on debt which was mostly settled in the prior year.

Liquidity and Capital Resources

The following table summarizes our total current assets, liabilities and working capital as of March 31, 2024 and December 31, 2023.

	March 31, 2024		December 31, 2023	
Current Assets	$	1,269,252	$	1,678,243
Current Liabilities	$	869,808	$	779,093
Working Capital	$	399,444	$	899,150

As of March 31, 2024, we had working capital of $399,444. We have incurred net losses since our inception and we anticipate net losses and negative operating cash flows for the near future, and we may not be profitable or realize growth in the value of our assets. To date, our primary sources of capital have been cash generated from the sales of our products, common stock sales, and debt financing. As of March 31, 2024, we had cash of $251,700, total liabilities of $997,069, and an accumulated deficit of $13,861,508. As of December 31, 2023, we had cash of $657,789, total liabilities of $914,622, and an accumulated deficit of $12,810,541.

Cash Flow

Comparison of the Three Months Ended March 31, 2024 and the Three Months Ended March 31, 2023

The following table sets forth the primary sources and uses of cash for the periods presented below:

	Three Months Ended March 31,			
	2024		2023	
Net cash used in operating activities	$	(503,578)	$	(656,593)
Net cash used in investing activities		(40,100)		-
Net cash provided by financing activities		137,589		544,105
Net change in cash	$	(406,089)	$	(112,488)

Net Cash Used in Operating Activities

Net cash used in operating activities was $503,578 for the three months ended March 31, 2024, compared to $656,593 for the three months ended March 31, 2023, a decrease of $153,015, or 23%. The decrease was primarily due to our increased gross profit.

Net Cash Used in Investing Activities

Net cash used in investing activities was $40,100 for the three months ended March 31, 2024, compared to $-0- for the three months ended March 31, 2023, an increase of $40,100. This increase was primarily attributable to $50,000 of property and equipment purchases, as partially offset by $9,900 of advances received on notes receivable in the current period.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $137,589 for the three months ended March 31, 2024, compared to $544,105 for the three months ended March 31, 2023, a decrease of $406,516, or 75%. Our decreased cash provided by financing activities was primarily from $322,500 of decreased net proceeds received on debt financing and $200,000 of debt repayments in the current period, as partially offset by $98,298 of deferred offering cost payments in the prior period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial results are affected by the selection and application of accounting policies and methods. In the three-month period ended March 31, 2024 there were no changes to the application of critical accounting policies disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements in this report, other than statements of historical fact, are “forward-looking statements” for purposes of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of our management for future operations, any statements concerning proposed new products or services, any statements regarding the integration, development or commercialization of the business or any assets acquired from other parties, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “intends,” “seeks,” “believes,” “estimates,” “potential,” “forecasts,” “continue,” or other forms of these words or similar words or expressions, or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results will likely differ, and could differ materially, from those projected or assumed in the forward-looking statements. Investors are cautioned not to unduly rely on any such forward-looking statements.

All subsequent forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our actual results will likely differ, and may differ materially, from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results. All forward-looking statements included in this report are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any forward-looking statement. If we do update or correct one or more forward-looking statements, investors and others should not conclude that we will make additional updates or corrections.

NOTICE REGARDING TRADEMARKS

This report includes trademarks, tradenames and service marks that are our property or the property of others. Solely for convenience, such trademarks and tradenames sometimes appear without any "™" or "®" symbol. However, failure to include such symbols is not intended to suggest, in any way, that we will not assert our rights or the rights of any applicable licensor, to these trademarks and tradenames.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures for our company. Consequently, our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of March 31, 2024. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Based on that evaluation, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were not effective.

Changes in Internal Control Over Financial Reporting

During the three-month period ended March 31, 2024, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may become, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. We are not currently party to any pending legal proceedings that we believe would, individually or in the aggregate, have a material adverse effect on our financial condition, cash flows or results of operations.

ITEM 1A. RISK FACTORS

The Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS.

Exhibit	Description
3.1	Articles of Incorporation of BranchOut Food Inc. (Incorporated by reference to Exhibit 3.1 of the Company's form S-1 filed with the Securities and Exchange Commission on April 24, 2023)
3.2	Bylaws of BranchOut Food Inc. (Incorporated by reference to Exhibit 3.2 of the Company's form S-1 filed with the Securities and Exchange Commission on June 9, 2023)

3.3	Certificate of Amendment to Articles of Incorporation (Incorporated by reference to Exhibit 1.2 of the Company's form 8-K filed with the Securities and Exchange Commission on June 22, 2023)
3.4	Certificate of Amendment to Articles of Incorporation of BranchOut Food Inc. filed January 4, 2024 (Incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on January 8, 2024)
4.1	Form of Warrant issued under Subscription Agreement dated as of January 9, 2024, as amended on April 15, 2024 (Incorporated by reference to Exhibit 4.1 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on January 16, 2024)
10.1	Subscription Agreement dated as of January 9, 2024, between BranchOut Food Inc. and the investors named therein (Incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on January 16, 2024)
10.2	Form of Senior Secured Note issued under Subscription Agreement dated as of January 9, 2024, as amended April 15, 2024 (Incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on January 16, 2024)
10.3	Security Agreement dated as of January 9, 2024, between BranchOut Food Inc. and the investors named therein (Incorporated by reference to Exhibit 10.3 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on January 16, 2024)
10.4	First Amendment to Subscription Agreement dated as of April 16, 2024, between BranchOut Food Inc. and the investors named therein (Incorporated by reference to Exhibit 10.4 of the Form 8-K filed with the Securities and Exchange Commission by BranchOut Food Inc. on April 16, 2024)
31.1*	Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)
31.2*	Certification of Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)
32.1*	Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 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 Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Schema Document
101.CAL*	Inline XBRL Calculation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
101.LAB*	Inline XBRL Labels Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

SIGNATURES

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

Signature	Title	Date
/s/ Eric Healy Eric Healy	Chief Executive Officer (Principal Executive Officer)	May 14, 2024
/s/ John Dalfonsi John Dalfonsi	Chief Financial Officer (Principal Accounting and Financial Officer)	May 14, 2024

EXHIBIT 31.1

CERTIFICATIONS PURSUANT TO
RULE 13A-14(A) OR RULE 15D-14(A),
AS ADOPTED PURSUANT TO
RULE 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Healy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BranchOut Food Inc.;

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 officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 is made known to me 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 my 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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 the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses 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.

/s/ *Eric Healy*
Eric Healy
Chief Executive Officer

Dated: May 14, 2024

EXHIBIT 31.2

CERTIFICATIONS PURSUANT TO
RULE 13A-14(A) OR RULE 15D-14(A),
AS ADOPTED PURSUANT TO
RULE 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Dalfonsi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BranchOut Food Inc.;

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 officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 is made known to me 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 my 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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 the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses 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.

/s/ *John Dalfonsi*
John Dalfonsi
Chief Financial Officer

Dated: May 14, 2024

EXHIBIT 32.1

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 Quarterly Report of BranchOut Food Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 (the "Report") I, Eric Healy, Chief Executive Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2024

/s/ Eric Healy

Name: Eric Healy
Title: Chief Executive Officer

This certification accompanies the foregoing Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this certification 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.

EXHIBIT 32.2

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 Quarterly Report of BranchOut Food Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2024 (the “Report”) I, John Dalfonsi, Principal Financial Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2024

/s/ *John Dalfonsi*
Name: John Dalfonsi
Title: Chief Financial Officer

This certification accompanies the foregoing Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this certification 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.