

**U.S. SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

**ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2020

**TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 000-53952*



SOW GOOD INC.

*(Exact name of registrant as specified in its charter)*

**Nevada**  
(State of Incorporation)

27-2345075  
(I.R.S. Employer Identification No.)

1440 N Union Bower Rd, Irving, TX 75061  
(Address of principal executive offices) (Zip Code)

(214) 623-6055  
Registrant's telephone number, including area code

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

Title of each class	Name of each exchange on which registered
N/A	N/A

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange On Which Registered</u>
COMMON STOCK	SOWG	OTCQB

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately \$5,492,165 as of June 30, 2020 (computed by reference to the last sale price of a share of the registrant's Common Stock on that date as reported by OTC Bulletin Board).

There were 3,939,439 shares outstanding of the registrant's common stock as of March 29, 2021.

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

We are including the following discussion to inform our existing and potential security holders generally of some of the risks and uncertainties that can affect our company and to take advantage of the "safe harbor" protection for forward-looking statements that applicable federal securities law affords.

From time to time, our management or persons acting on our behalf may make forward-looking statements to inform existing and potential security holders about our company. All statements other than statements of historical facts included in this report regarding our financial position, business strategy, plans and objectives of management for future operations and industry conditions are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “target,” “plan,” “intend,” “seek,” “goal,” “will,” “should,” “may” or other words and similar expressions that convey the uncertainty of future events or outcomes. Items making assumptions regarding actual or potential future sales, market size, collaborations, trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements include the following:

- the effect of the coronavirus (“COVID-19”) pandemic on our ability to obtain funding through various financing transactions or arrangements;
- volatility or decline of our stock price;
- low trading volume and illiquidity of our common stock;
- potential fluctuation in quarterly results;
- inability to maintain adequate liquidity to meet our financial obligations;
- failure to timely launch our freeze-dried product offerings and obtain sufficient sales and distributions;
- litigation, disputes and legal claims involving outside parties; and
- risks related to our ability to be traded on the OTCQB and meeting trading requirements

We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, results actually achieved may differ materially from expected results in these statements. Forward-looking statements speak only as of the date they are made. You should consider carefully the statements in “Item 1A. Risk Factors” and other sections of this report, which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements.

Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the United States Securities and Exchange Commission (the “SEC”) which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

## TABLE OF CONTENTS

<b>PART I</b>		
ITEM 1	<a href="#">Business</a>	1
ITEM 1A	<a href="#">Risk Factors</a>	3
ITEM 1B	<a href="#">Unresolved Staff Comments</a>	8
ITEM 2	<a href="#">Properties</a>	8
ITEM 3	<a href="#">Legal Proceedings</a>	8
ITEM 4	<a href="#">Mine Safety Disclosures</a>	8
		8
<b>PART II</b>		
ITEM 5	<a href="#">Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</a>	9
ITEM 6	<a href="#">Selected Financial Data</a>	10
ITEM 7	<a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	11
ITEM 7A	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	18
ITEM 8	<a href="#">Financial Statements and Supplementary Data</a>	18
ITEM 9	<a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	19
ITEM 9A	<a href="#">Controls and Procedures</a>	19
ITEM 9B	<a href="#">Other Information</a>	20
<b>PART III</b>		
ITEM 10	<a href="#">Directors, Executive Officers, and Corporate Governance</a>	21
ITEM 11	<a href="#">Executive Compensation</a>	25
ITEM 12	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	32
ITEM 13	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	33
ITEM 14	<a href="#">Principal Accounting Fees and Services</a>	35
<b>PART IV</b>		
ITEM 15	<a href="#">Exhibits, Financial Statement Schedules</a>	37
ITEM 16	<a href="#">Form 10-K Summary</a>	39
<b>SIGNATURES</b>		40

## PART I

### ITEM 1. BUSINESS

#### Overview

Effective January 21, 2021, we changed our name from Black Ridge Oil & Gas, Inc. to Sow Good Inc. ("SOWG," "Sow Good," or the "Company"). Our common stock is traded on the OTCQB under the trading symbol "SOWG".

The Company is focused on entering into the freeze-dried food products market. Sow Good is an emerging consumer products platform focused on manufacturing and marketing freeze-dried snacks, smoothies and soups. Sow Good will launch its line of freeze-dried snacks, smoothies and soups, and its direct-to-consumer focused website, to coincide with initial production from its state-of-the-art facility located in Irving, Texas.

### **S-FDF Business Combination**

On October 1, 2020, the Company completed its acquisition of S-FDF, LLC (the "Seller"), a Texas limited liability company, pursuant to an Asset Purchase Agreement, between the Company and the Seller, dated June 9, 2020, as subsequently amended effective October 1, 2020. In connection with the closing of the Asset Purchase Agreement, the Company acquired approximately \$2.2 million in cash and certain assets and agreements related to the Seller's freeze-dried fruits and vegetables business for human consumption and entered into certain employment and registration rights agreements. The Company did not assume any liabilities of Seller or any liabilities, liens, or encumbrances pertaining to or encumbering the Purchased Assets, except for those related to agreements or arrangements specified in the Asset Purchase Agreement. The Seller transferred the Purchased Assets to the Company in exchange for the issuance of 1,120,000 shares of the Company's common stock to the Seller. The number of Seller Shares to be issued was subject to adjustment, as specified in the Asset Purchase Agreement, as amended, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of Allied Esports Entertainment Inc. ("AESE") Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement, which resulted in the issuance of an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company's issued and outstanding common stock, on a fully diluted basis. Black Ridge Oil & Gas, Inc. was determined to be the acquirer of the business combination.

Pursuant to its obligations under the Asset Purchase Agreement, on the Closing Date the Company, (a) created three new seats on the Company's Board of Directors and appointed the Seller's principals, Ira Goldfarb and Claudia Goldfarb, and a third person designated by the Goldfarbs, Greg Creed, as directors, (b) entered into employment agreements with Ira Goldfarb and Claudia Goldfarb, (c) delivered a registration rights agreement with respect to the Seller Shares and any shares of common stock delivered as part of the employment compensation for Ira Goldfarb or Claudia Goldfarb, and (d) amended the Company's 2020 Stock Incentive Plan to increase the number of shares of common stock reserved thereunder. At closing, the Company also assumed the Seller's obligations under a real property lease for its facility in Irving, Texas under which an entity owned entirely by Ira Goldfarb is the landlord.

### **BRAC Business Combination**

On October 10, 2017, the Company's sponsored special purpose acquisition company, Black Ridge Acquisition Corp. ("BRAC"), completed an IPO raising \$138,000,000 of gross proceeds (including proceeds from the exercise of an over-allotment option by the underwriters on October 18, 2017). In addition, the Company purchased 445,000 BRAC units at \$10.00 per unit in a private placement transaction for a total contribution of \$4,450,000 in order to fulfill its obligations in sponsoring BRAC, a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. BRAC's efforts to identify a prospective target business were not limited to a particular industry or geographic region. Following the IPO and over-allotment, BROG owned 22% of the outstanding common stock of BRAC and managed BRAC's operations via a management services agreement through December 31, 2019. On December 19, 2018, BRAC entered into a business combination agreement, which subsequently closed on August 9, 2019. BRAC was renamed Allied Esports Entertainment, Inc. following the merger, or "AESE", and referred to herein, as such.

### **Going Concern Uncertainty**

As of December 31, 2020, the Company had a cash balance of \$1,912,729 and total working capital of \$1,768,153. Based on projections of cash expenditures in the Company's current business plan, the cash on hand as of December 31, 2020 would be insufficient to sustain operations over the next year. On February 5, 2021, we raised \$2.525 million from the sale of an aggregate 631,250 shares of the Company's common stock at \$4.00 per share, resulting in approximately \$2.7 million of cash on hand and \$650,000 of liquid securities for a combined liquidity of \$3.35 million as of March 19, 2021.

We continue to pursue sources of additional capital through various financing transactions or arrangements, equity or debt financing or other means. 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.

We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund or expand our business.

The Company's current business plan projects the commencement of sales in the first half of 2021. We may be unable to obtain additional funding if we are unsuccessful in launching our products.

The report of the Company's independent registered public accounting firm that accompanies its audited financial statements in the Company's Annual Report on Form 10-K contains an explanatory paragraph regarding the substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

### **Business**

We intend to launch our line of freeze-dried snacks, smoothies and soups, and our direct-to-consumer focused website, to coincide with initial production from our state-of-the-art facility located in Irving, Texas in the first half of 2021.

Our business will operate under two distinct brands, Sow Good and Sustain Us. Our unique food products are targeting the large, and growing, freeze-dried food products market. The global freeze-dried food products market is estimated by Technavio to total nearly \$60B in 2020, with the United States representing almost 30% of the total. Technavio further projects market growth to continue at over 8% per year through 2024.

On March 20, 2021, our first freeze drier successfully completed its production testing. In addition, we completed the build-out of our production facility in March, and have finalized products and packaging, while delivering samples to potential B2B customers.

With the extensive freeze-dried manufacturing and food product-focused business development experience of our senior management team, including recent additions, we believe we are well positioned to lead the Company's growth and development in the freeze-dried food industry.

### **Principal Agreements Affecting Our Ordinary Business**

Our principal agreements for our continuing operations take the form of employment agreements, whereby our management is compensated through a variety of

forms, including cash and equity.

## **Employees**

We currently have seventeen full time employees. We may hire additional technical or administrative personnel as appropriate. We expect a significant change in the number of full-time employees over the next 12 months based upon our currently-projected business plan, as we commence production. We are using and will continue to use the services of independent consultants and contractors to perform various professional services for us or on behalf of our partners. We believe that this use of third-party service providers enhances our ability to contain general and administrative expenses.

## **Office Locations**

Our executive offices are located at 1440 N Union Bower Rd, Irving, TX 75061. Our office space is included in our production facility, which consists of approximately 20,945 square feet leased pursuant to a lease agreement through September 15, 2025, with two five-year options to extend, under which an entity owned entirely by Ira Goldfarb is the landlord.

## **Financial Information about Segments and Geographic Areas**

We have not segregated our operations into segments or geographic areas.

## **Available Information – Reports to Security Holders**

Our website address is [www.thisissowgood.com](http://www.thisissowgood.com). We still make available on our [www.blackridgeoil.com](http://www.blackridgeoil.com) website, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports after we electronically file those materials with, or furnish those materials to, the SEC, however, we expect to transition these to the new website in the near term. Electronic filings with the SEC are also available on the SEC internet website at [www.sec.gov](http://www.sec.gov).

We also post to our website our Audit Committee Charter and our Code of Ethics, in addition to all pertinent company contact information.

## **ITEM 1A. RISK FACTORS**

### **Risks Due to COVID-19**

*The outbreak of the coronavirus (“COVID-19”) has negatively impacted and could continue to negatively impact the global economy. In addition, the COVID-19 pandemic could disrupt or otherwise negatively impact global credit markets, our operations.*

The significant outbreak of COVID-19 has resulted in a widespread health crisis, which has negatively impacted and could continue to negatively impact the global economy. In addition, the global and regional impact of the outbreak, including official or unofficial quarantines and governmental restrictions on activities taken in response to such event, could have a negative impact on our operations and our ability to source products and launch our operations and distribution network.

The COVID-19 outbreak could disrupt or otherwise negatively impact credit and equity markets, which could adversely affect the availability and cost of capital. Such impacts could limit our ability to obtain additional funding through various financing transactions or arrangements, including equity or debt financing or other means.

Social distancing, travel bans and quarantines have limited access in certain respects to our management, support staff, professional advisors and our independent auditors. These factors, in turn, may not only impact our operations, financial condition and our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission. In addition, it could impact the ability to complete construction and commence operations of the S-FDF business.

The extent and potential short and long-term impact of the COVID-19 outbreak on our business will depend on future developments, including the duration, severity and spread of the virus, actions that may be taken by governmental authorities and the impact on the financial markets, all of which are highly uncertain and cannot be predicted. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect our business, financial condition and results of operations.

### **Risks Related to Our Business**

*Our freeze-dried foods business is essentially a start-up, and does not have any meaningful history of operations.*

The assets we purchased under the Asset Purchase Agreement were of a development stage business without any major customers or history of operations upon which to forecast future business trends. We cannot guarantee that we will become profitable. As a developing company, we will need to adopt and implement a plan to increase awareness of our products, secure distribution channels, and foster and strengthen our supply, manufacturing and distribution relationships. It is likely our strategic priorities will need to evolve over time and our business would be materially and adversely effected if we do not properly adapt our strategies to our changing needs and changes in the market.

As our operations develop and grow, we expect to experience significant increases in our working capital requirements. These conditions raise doubt over our ability to meet all of our obligations over the next twelve months if we are unable to obtain additional capital. Even if we obtain additional capital and achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may be unable to sustain or increase profitability and our failure to do so would adversely affect the Company’s business, including our ability to raise additional funds.

*We have very limited internal distribution and marketing capabilities and are only in the early stages of building our distribution network.*

We have not yet launched our freeze-dried food products commercially. In order to be successful, we will need to establish a direct-to-consumer platform and/or relationships with numerous retail outlets through which our products can be sold. While our products have been introduced into a limited number of potential consumers and customers on a trial basis, to date, we have not entered into any relationships with distributors and retail outlets for the sale of our products and have not yet generated revenues

through sales. We have extremely limited internal marketing and distribution capabilities and resources. There can be no assurance that we will be successful in establishing a meaningful distribution network or direct to consumer platform or that if the same is established that such network or platform will result in profitable sales of our products.

*We may need additional financing in the future, which may not be available when needed or may be costly and dilutive.*

We may require additional financing to support our working capital needs in the future. The amount of additional capital we may require, the timing of our capital needs and the availability of financing to fund those needs will depend on a number of factors, including our strategic initiatives and operating plans, the performance of our business and the market conditions for debt or equity financing. Additionally, the amount of capital required will depend on our ability to meet our sales goals and otherwise successfully execute our operating plan. Although we believe various debt and equity financing alternatives will be available to us to support our working capital needs, financing arrangements on acceptable terms may not be available to us when needed. Additionally, these alternatives may require significant cash payments for interest and other costs or could be highly dilutive to our existing shareholders. Any such financing alternatives may not provide us with sufficient funds to meet our long-term capital requirements.

*A worsening of economic conditions or a decrease in consumer spending may adversely impact our ability to implement our business strategy.*

Our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions and the availability of discretionary income. There is no certainty regarding economic conditions in the United States, and credit and financial markets and confidence in economic conditions could deteriorate at any time. Accordingly, we may experience declines in revenue during economic turmoil or during periods of uncertainty. Any material decline in the amount of discretionary spending, leading cost-conscious consumers to be more selective in food products purchased, could have a material adverse effect on our revenue, results of operations, business and financial condition.

*Fluctuations in various food and supply costs, particularly related to fruit, could adversely affect our operating results.*

Supplies and prices of the ingredients that we are going to use to can be affected by a variety of factors, such as weather, seasonal fluctuations, demand, politics and economics in the producing countries.

These factors subject us to shortages or interruptions in product supplies, which could adversely affect our revenue and profits. In addition, the price of fruit, which is currently our main ingredient in our products, can be highly volatile. The fruit of the quality we seek tends to trade on a negotiated basis, depending on supply and demand at the time of the purchase. An increase in pricing of any fruit that we are going to use in our products could have a significant adverse effect on our profitability. We cannot assure you that we will be able to secure our fruit supply.

*Our success depends on our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation.*

Consumer preferences for food and beverage products change continually and rapidly. Our success depends on our ability to predict, identify, and interpret the tastes and dietary habits of consumers and to offer products that appeal to consumer preferences, including with respect to health and wellness. If we do not offer products that appeal to consumers, our sales and market share will decrease, which could materially and adversely affect our product sales, financial condition, and operating results.

We must distinguish between short-term trends and long-term changes in consumer preferences. If we do not accurately predict which shifts in consumer preferences will be long-term, or if we fail to introduce new and improved products to satisfy those preferences, our sales could decline.

*Our business depends substantially on the continuing efforts of our senior management and other key personnel, and our business may be severely disrupted if we lose their services.*

Our future success heavily depends on the continued service of our senior management and other key employees. If one or more of our senior executives is unable or unwilling to continue to work for us in his or her present position, we may have to spend a considerable amount of time and resources searching, recruiting, and integrating a replacement into our operations, which would substantially divert management's attention from our business and severely disrupt our business. This may also adversely affect our ability to execute our business strategy.

*Our senior management's limited experience managing a publicly traded company may divert management's attention from operations and harm our business.*

Our senior management team has relatively limited experience managing a publicly traded company and complying with federal securities laws, including compliance with recently adopted disclosure requirements on a timely basis. Our management will be required to design and implement appropriate programs and policies in responding to increased legal, regulatory compliance and reporting requirements, and any failure to do so could lead to the imposition of fines and penalties and harm our business.

*We may be unable to attract and retain qualified, experienced, highly skilled personnel, which could adversely affect the implementation of our business plan.*

Our success depends to a significant degree upon our ability to attract, retain and motivate skilled and qualified personnel. As we become a more mature company in the future, we may find recruiting and retention efforts more challenging. If we do not succeed in attracting, hiring and integrating excellent personnel, we may be unable to grow effectively. The loss of any key employee, including members of our senior management team, and our inability to attract highly skilled personnel with sufficient experience in our industries could harm our business.

*Our ability to maintain and expand our distribution network and attract consumers, distributors, retailers and brokers will depend on a number of factors, some of which are outside our control.*

Some of these factors include:

- the level of demand for our brands and products types;
- our ability to price our products at levels competitive with those of competing products; and
- our ability to deliver products in the quantity and at the time ordered by consumers, distributors, retailers and brokers.

We may not be able to successfully manage all or any of these factors in any of our current or prospective geographic areas of distribution. Our inability to achieve success with regards to any of these factors in a geographic distribution area will have a material adverse effect on our relationships in that particular geographic area, thus limiting our ability to maintain or expand our market, which will likely adversely affect our revenues and financial results.

*If we do not adequately manage our inventory levels, our operating results could be adversely affected.*

We will need to maintain adequate inventory levels to be able to deliver products on a timely basis. Our inventory supply depends on our ability to correctly estimate demand for our products. Our ability to estimate demand for our products is imprecise, particularly for new products. If we materially underestimate demand for our products or are unable to maintain sufficient inventory of raw materials, we might not be able to satisfy demand on a short-term basis. If we overestimate demand for our products, we may end up with too much inventory, resulting in higher storage costs and increased trade spend. If we fail to manage our inventory to meet demand, we could damage our relationships with our customers and retailers and could delay or lose sales opportunities, which would unfavorably impact our future sales and adversely affect our operating results.

*We are highly dependent on Ira and Claudia Goldfarb, our Executive Chairman and the chief executive officer, and our other executive officers and employees. The loss of one or more of them, upon whose knowledge, leadership and technical expertise we rely, would harm our ability to execute our business plan.*

Our success depends heavily upon the continued contributions of Ira and Claudia Goldfarb, our executive chairman and chief executive officer, respectively, whose knowledge, leadership and technical expertise would be difficult to replace, with the support of Brad Burke, our chief financial officer. If we were to lose their services, our ability to execute our business plan would be harmed and we may be forced to cease operations until such time as we are able to suitably replace them. Any of our executive officers may terminate their employment with our company at any time.

*We may not be able to effectively manage our growth, which may harm our profitability.*

Our strategy envisions the expansion of our business. If we fail to effectively manage our growth, our financial results could be adversely affected. Growth may place a strain on our management systems and resources. We must continue to refine and expand our business capabilities, our systems and processes and our access to financing sources. As we grow, we must continue to hire, train, supervise and manage new employees. We cannot assure that we will be able to:

- meet our capital needs;
- expand our systems effectively or efficiently or in a timely manner;
- allocate our human resources optimally;
- identify and engage qualified employees and consultants, or retain valued employees and consultants; or
- incorporate effectively the components of any business that we may acquire in our effort to achieve growth.

If we are unable to manage our growth, our financial condition and results of operations may be materially adversely affected.

### **Risks Related to Our Industry**

*The challenges of competing with other freeze-dried food businesses may result in reductions in our revenue and operating margins.*

We will compete with many companies on the basis of taste, quality and price of product offered, and customer service. Our success depends, in part, upon the popularity of our products and our ability to develop new items that appeal to a broad range of consumers. Shifts in consumer preferences away from products like ours, our inability to develop new items that appeal to a broad range of consumers, or changes in our offerings that eliminate products popular with some consumers could harm our business. We compete with other manufacturers of freeze-dried foods, frozen foods, convenience foods, health foods and packaged goods. Many of our competitors or potential competitors have substantially greater financial and other resources than we do, which may allow them to react to changes in the market quicker than we can. In addition, aggressive pricing by our competitors or the entrance of new competitors into our markets, could reduce our revenue and operating margins. We also compete with other employers in our markets for workers and may become subject to higher labor costs as a result of such competition.

*Concerns over food safety and public health may affect our operations by increasing our costs and negatively impacting demand for our products.*

We could be adversely affected by diminishing confidence in the safety and quality of certain food products or ingredients. As a result, we may elect or be required to incur additional costs aimed at increasing consumer confidence in the safety of our products. Our success depends on our ability to maintain the quality of our existing and new products. Product quality issues, real or imagined, or allegations of product contamination, even if false or unfounded, could tarnish the image of our brands and may cause consumers to choose other products.

*Product liability exposure may expose us to significant liability.*

We may face an inherent business risk of exposure to product liability and other claims and lawsuits in the event that the development or use of our technology or prospective products is alleged to have resulted in adverse effects. We may not be able to avoid significant liability exposure. Although we believe our insurance coverage to be adequate, we may not have sufficient insurance coverage, and we may not be able to obtain sufficient coverage at a reasonable cost. An inability to obtain product liability insurance at acceptable cost or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our products. A product liability claim could hurt our financial performance. Even if we ultimately avoid financial liability for this type of exposure, we may incur significant costs in defending ourselves that could hurt our financial performance and condition.

### **Risks Related to our Common Stock**

*The market price of our common stock is, and is likely to continue to be, highly volatile and subject to wide fluctuations.*

The market price of our common stock is likely to continue to be highly volatile and could be subject to wide fluctuations in response to a number of factors, some of which are beyond our control, including but not limited to:

- dilution caused by our issuance of additional shares of common stock and other forms of equity securities, which we expect to make in connection with future capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;
- quarterly variations in our revenues and operating expenses as we commence our production and sales;
- changes in the valuation of similarly situated companies, both in our industry and in other industries;
- challenges associated with timely SEC filings;
- illiquidity and lack of marketability by being an OTC traded stock;

- changes in analysts' estimates affecting our company, our competitors and/or our industry;
- changes in the accounting methods used in or otherwise affecting our industry;
- additions and departures of key personnel;
- fluctuations in interest rates and the availability of capital in the capital markets; and
- significant sales of our common stock, including sales by selling shareholders following the registration of shares under a prospectus.

These and other factors are largely beyond our control, and the impact of these risks, singly or in the aggregate, may result in material adverse changes to the market price of our common stock and our results of operations and financial condition.

*Our operating results may fluctuate significantly, and these fluctuations may cause the price of our common stock to decline.*

Our operating results will likely vary in the future primarily as the result of fluctuations in our revenues and operating expenses, including the expenses that we incur and other factors. If our results of operations do not meet the expectations of current or potential investors, the price of our common stock may decline.

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*Shareholders will experience dilution upon the exercise of outstanding warrants and options and issuance of common stock under our incentive plans.*

As of December 31, 2020, we had options for 12,027 shares of common stock outstanding under our 2012 Amended and Restated Stock Incentive Plan and options for an additional 8,347 shares of common stock outstanding under our 2016 Non-Qualified Stock Option Plan. In addition, our 2020 Stock Incentive Plan (the "2020 Equity Plan") was approved by written consent of a majority of shareholders of record as of November 12, 2019 and adopted by the Board on December 5, 2019, and on October 1, 2020, January 4, 2021 and again on March 19, 2021, the Board approved an increase in the number of shares of common stock reserved under the 2020 Plan, from 320,000 shares to a total of 814,150 shares. The increase remains subject to shareholder approval, to be provided, if at all, by October 1, 2021. As of December 31, 2020, we had options for 439,151 shares of common stock outstanding under our 2020 Equity Plan. If the holders of outstanding options exercise those options or our compensation committee or full board of directors determines to grant additional stock awards under our incentive plan, shareholders may experience dilution in the net tangible book value of our common stock. Further, the sale or availability for sale of the underlying shares in the marketplace as a result of the exercise of existing options and the grant of additional options could depress our stock price.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 2. PROPERTIES**

##### **Executive Offices**

Our executive offices are located at 1440 N Union Bower Rd, Irving, TX 75061. Our office space is included in our production facility, which consists of approximately 20,945 square feet leased pursuant to a lease agreement through September 15, 2025, with two five-year options to extend, under which an entity owned entirely by Ira Goldfarb is the landlord.

##### **Research and Development**

We anticipate performing product research and development as required for our products and distribution under our new plan of operation. The Company currently has one full-time employee dedicated to product research and development. The Company's research and development activities primarily consist of product formulation, nutritional analysis, and taste analysis.

##### **Delivery Commitments**

We do not currently have any delivery commitments under our plan of operation.

#### **ITEM 3. LEGAL PROCEEDINGS**

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against us, which may materially affect us.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

None.

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8

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## **PART II**

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

##### **Common Stock**

The Company changed its ticker symbol from "ANFC" to "SOWG", effective as of the opening of trading on January 22, 2021.

Quotations on the OTCQB reflect inter-dealer prices, without retail markup, mark-down, or commission and may not necessarily represent actual transactions.

Effective February 21, 2020, our common stock underwent a 1-for-300 reverse split, which is retrospectively reflected throughout this Form 10-K.

As of March 22, 2021, there were approximately 341 record holders of our common stock, not including shares held in “street name” in brokerage accounts which is unknown. As of March 22, 2021, there were 3,939,439 shares of common stock outstanding on record.

#### Equity Compensation Plan Information

Effective December 5, 2019, the 2020 Stock Incentive Plan (the “2020 Plan”) was approved by our Board. Amongst other things, the 2020 Plan authorized a total of 320,000 shares of our common stock. Subsequently, on October 1, 2020, January 4, 2021 and again on March 19, 2021, the Board approved an increase in the number of shares of common stock reserved under the 2020 Plan, from 320,000 shares to a total of 814,150 shares. The increase remains subject to shareholder approval, to be provided, if at all, by October 1, 2021. The following table sets forth certain information regarding our 2020 Plan as of December 31, 2020:

Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under the 2020 Plan
439,151	\$5.21	374,999

For the fiscal years ended December 31, 2020 and 2019, we issued 439,151 and -0- stock options pursuant to the 2020 Plan. There were no options cancelled or forfeited pursuant to the 2020 Plan during the years ended December 31, 2020 and 2019, respectively.

Effective December 12, 2016, the 2016 Non-Qualified Stock Option Plan (the “2016 Plan”) was approved by our Board. Amongst other things, the 2016 Plan authorized a total of 12,712 shares of our common stock. The following table sets forth certain information regarding our 2016 Plan as of December 31, 2020:

Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under the 2016 Plan
8,347	\$12.12	4,365

For the fiscal years ended December 31, 2020 and 2019, we issued no stock options pursuant to the 2016 Plan. There were 3,699 and 833 options cancelled or forfeited pursuant to the 2016 Plan during the years ended December 31, 2020 and 2019, respectively.

Effective March 2, 2012, the 2012 Amended and Restated Stock Incentive Plan (the “2012 Plan”) was approved by our Board and the holders of a majority of our outstanding shares, replacing the Ante5, Inc. 2010 Stock Incentive Plan. Amongst other things, the 2012 Plan increased the number of shares reserved under the Plan to a total of 25,000 shares of our common stock. The following table sets forth certain information regarding the 2012 Plan as of December 31, 2020:

9

Number of securities to be issued upon exercise of outstanding stock options	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under the 2012 Plan
12,027	\$133.94	12,973

For the fiscal years ended December 31, 2020 and 2019, we issued no stock options pursuant to the 2012 Plan. There were 10,131 and 908 options cancelled or forfeited pursuant to the 2012 Plan during the years ended December 31, 2020 and 2019, respectively.

#### Warrants

In consideration for four of our officers and directors’ willingness to serve as guarantors of the Cadence Loan, the Company issued warrants to each of the Guarantors (the “Guarantor Warrants”) for the purchase of the Company’s common stock on March 12, 2020. The Guarantor Warrants entitle each Guarantor to purchase 26,250 shares of the Company’s common stock (the “Warrant Shares”) at an exercise price of \$4.00 per share. The Guarantor Warrants expire on March 12, 2030. No warrants were granted during the fiscal year ended December 31, 2019. The officers and directors receiving grants and the amounts of such grants were as follows:

Name and Title at Time of Grant	Stock Warrant Shares Granted
Ken DeCubellis, Chief Executive Officer and Interim Chief Financial Officer	26,250
Bradley Berman, Chairman of the Board and Director	26,250
Lyle Berman, Director	26,250
Benjamin Oehler, Director	26,250
Total:	105,000

There were no warrants exercised, forfeited or expired during the years ended December 31, 2020 and 2019. A total of 106,300 warrants were outstanding as of December 31, 2020 with a weighted average exercise price of \$3.99 and a weighted average life of 9.1 years.

#### Unregistered Issuance of Equity Securities

The following issuances of our securities during the three-month period ended December 31, 2020 were exempt from the registration requirements of the Securities Act of 1933 pursuant to Section 4(a)(2) thereof and/or Rule 506 of Regulation D promulgated thereunder.

On October 1, 2020, we issued a total of 1,120,000 shares of common stock, restricted in accordance with Rule 144 to S-FDF, LLC, a Texas limited liability company, pursuant to an asset purchase agreement.

On October 1, 2020, we issued a total of 23,335 shares of common stock, restricted in accordance with Rule 144, among six board members for services rendered.

## ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

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

The following discussion should be read in conjunction with our financial statements and notes to those statements. In addition to historical information, the following discussion and other parts of this annual report contain forward-looking information that involves risks and uncertainties.

### Overview and Outlook

Effective January 21, 2021, we changed our name from Black Ridge Oil & Gas, Inc. to Sow Good Inc. Our common stock is quoted on the OTCQB under the trading symbol "SOWG".

We intend to launch our line of freeze-dried snacks, smoothies and soups, and our direct-to-consumer focused website, to coincide with initial production from our state-of-the-art facility located in Irving, Texas in the first half of 2021.

Our business will operate under two distinct brands, Sow Good and Sustain Us. Our unique food products are targeting the large, and growing, freeze-dried food products market. The global freeze-dried food products market is estimated by Technavio to total nearly \$60B in 2020, with the United States representing almost 30% of the total. Technavio further projects market growth to continue at over 8% per year through 2024.

On March 20, 2021, our first freeze drier successfully completed its production testing. In addition, we completed the build-out of our production facility in March, and have finalized products and packaging, while delivering samples to potential B2B customers.

With the extensive freeze-dried manufacturing and food product-focused business development experience of our senior management team, including recent additions, we believe we are well positioned to lead the Company's growth and development in the freeze-dried food industry.

### S-FDF Business Combination

On October 1, 2020, the Company completed its acquisition of S-FDF, LLC (the "Seller"), a Texas limited liability company, pursuant to an Asset Purchase Agreement, between the Company and the Seller, dated June 9, 2020, as subsequently amended effective October 1, 2020. In connection with the closing of the Asset Purchase Agreement, the Company acquired approximately \$2.2 million in cash and certain assets and agreements related to the Seller's freeze-dried fruits and vegetables business for human consumption and entered into certain employment and registration rights agreements. The Company did not assume any liabilities of Seller or any liabilities, liens, or encumbrances pertaining to or encumbering the Purchased Assets, except for those related to agreements or arrangements specified in the Asset Purchase Agreement. The Seller transferred the Purchased Assets to the Company in exchange for the issuance of 1,120,000 shares of the Company's common stock to the Seller. The number of shares to be issued to Seller was subject to adjustment, as specified in the Asset Purchase Agreement, as amended, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of AESE Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement, which resulted in the issuance of an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company's issued and outstanding common stock, on a fully diluted basis. Black Ridge Oil & Gas, Inc. was determined to be the acquiror of the business combination.

Pursuant to its obligations under the Asset Purchase Agreement, on the Closing Date the Company, (a) created three new seats on the Company's Board of Directors and appointed the Seller's principals, Ira Goldfarb and Claudia Goldfarb, and a third person designated by the Goldfarbs, Greg Creed, as directors, (b) entered into employment agreements with Ira Goldfarb and Claudia Goldfarb, (c) delivered a registration rights agreement with respect to the shares to be issued to Seller and any shares of common stock delivered as part of the employment compensation for Ira Goldfarb or Claudia Goldfarb, and (d) amended the Company's 2020 Stock Incentive Plan to increase the number of shares of common stock reserved thereunder. At closing, the Company also assumed the Seller's obligations under a real property lease for its facility in Irving, Texas under which an entity owned entirely by Ira Goldfarb is the landlord.

### BRAC Business Combination

On October 10, 2017, the Company's sponsored special purpose acquisition company, Black Ridge Acquisition Corp. ("BRAC"), completed an IPO raising \$138,000,000 of gross proceeds (including proceeds from the exercise of an over-allotment option by the underwriters on October 18, 2017). In addition, the Company purchased 445,000 BRAC units at \$10.00 per unit in a private placement transaction for a total contribution of \$4,450,000 in order to fulfill its obligations in sponsoring BRAC, a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. BRAC's efforts to identify a prospective target business were not limited to a particular industry or geographic region. Following the IPO and over-allotment, BROG owned 22% of the outstanding common stock of BRAC and managed BRAC's operations via a management services agreement through December 31, 2019. On December 19, 2018, BRAC entered into a business combination agreement, which subsequently closed on August 9, 2019. BRAC was renamed Allied Esports Entertainment, Inc. following the merger, or "AESE", and referred to herein, as such.

### Going Concern Uncertainty

As of December 31, 2020, the Company had a cash balance of \$1,912,729 and total working capital of \$1,768,153. Based on projections of cash expenditures in the Company's current business plan, the cash on hand would be insufficient to sustain operations over the next year. On February 5, 2021, we raised \$2.525 million from the sale of an aggregate 631,250 shares of the Company's common stock at \$4.00 per share, resulting in approximately \$2.7 million of cash on hand and \$650,000 of liquid securities for a combined liquidity of \$3.35 million as of March 19, 2021.

We continue to pursue sources of additional capital through various financing transactions or arrangements, including equity financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business. 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.

The report of the Company's independent registered public accounting firm that accompanies its audited financial statements in this Annual Report on Form 10-K

contains an explanatory paragraph regarding the substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

#### Overview of 2020 results

Our 2020 results were largely dominated by managing, searching for potential business combination candidates and ultimately closing the business combination with S-FDF, LLC to enter into the freeze-dried foods business. We did not earn any revenues in 2020, compared to earning \$466,595 in management fees for the year ended December 31, 2019, from our management agreement with BRAC subsequent to the AESE transaction. We anticipate generating revenues from our freeze-dried foods business in 2021.

Our general and administrative expenses remained relatively consistent throughout 2020, driven primarily by salaries and benefits amounting to \$1,477,124. Our stock-based compensation of \$1,104,096 consisted of \$268,608 of stock issued to officers and directors, \$458,048 of expense related to the amortization of stock options and \$377,440 of expense related to warrants issued to officers and directors as a debt discount for their personal guarantee on a line of credit.

#### Application of Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to impairment of property, plant and equipment, intangible assets, deferred tax assets and fair value computation using the Black Scholes option pricing model. We base our estimates on historical experience and on various other assumptions, such as the trading value of our common stock and estimated future undiscounted cash flows, that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that our estimates, including those for the above-described items, are reasonable.

#### Critical Accounting Policies

The establishment and consistent application of accounting policies is a vital component of accurately and fairly presenting our financial statements in accordance with generally accepted accounting principles in the United States (GAAP), as well as ensuring compliance with applicable laws and regulations governing financial reporting. While there are rarely alternative methods or rules from which to select in establishing accounting and financial reporting policies, proper application often involves significant judgment regarding a given set of facts and circumstances and a complex series of decisions.

#### Income Taxes

Deferred tax assets are recognized for temporary differences in financial statement and tax basis amounts that will result in deductible amounts and carry-forwards in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable amounts in future years. Deferred tax assets and liabilities are measured using enacted tax law and tax rate(s) for the year in which we expect the temporary differences to be deducted or settled. The effect of a change in tax law or rates on the valuation of deferred tax assets and liabilities is recognized in income in the period of enactment. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Significant future taxable income would be required to realize this net tax asset.

Estimating the amount of the valuation allowance is dependent on estimates of future taxable income, alternative minimum tax income, and changes in shareholder ownership that would trigger limits on use of net operating losses under Internal Revenue Code Section 382.

#### Fair Value of Financial Instruments

Our cash and cash equivalents, investments, accounts receivable and accounts payable are stated at cost which approximates fair value due to the short-term nature of these instruments. In January 2010, the FASB issued an amendment to the accounting standards related to the disclosures about an entity's use of fair value measurements. Among these amendments, entities are required to provide enhanced disclosures about transfers into and out of the Level 1 (fair value determined based on quoted prices in active markets for identical assets and liabilities) and Level 2 (fair value determined based on significant other observable inputs) classifications, provide separate disclosures about purchases, sales, issuances and settlements relating to the tabular reconciliation of beginning and ending balances of the Level 3 (fair value determined based on significant unobservable inputs) classification and provide greater disaggregation for each class of assets and liabilities that use fair value measurements.

#### Use of Estimates

In accordance with accounting principles generally accepted in the United States, management utilizes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Results of Operations for the Years Ended December 31, 2020 and 2019.

The following table summarizes selected items from the statement of operations for the years ended December 31, 2020 and 2019.

	Years Ended December 31,		Increase/ Decrease
	2020	2019	
Management fee income	\$ —	\$ 466,595	\$ (466,595)
Operating expenses:			
General and administrative:			
Salaries and benefits	1,477,124	1,172,745	304,379

Stock-based compensation	726,656	100,526	626,130
Deferred compensation	–	1,396,460	(1,396,460)
Professional services	451,125	132,505	318,620
Other general and administrative	350,875	259,968	90,907
Total general and administrative	3,005,780	3,062,204	(56,424)
Depreciation and amortization	3,642	872	2,770
Total operating expenses:	3,009,422	3,063,076	(53,654)
Net operating loss	(3,009,422)	(2,596,481)	412,941
Other income:			
Gain on deconsolidation of subsidiary	–	20,448,687	(20,448,687)
Interest expense	(386,164)	–	386,164
Other income	5,045	51	4,994
Loss on disposal of property and equipment	(5,369)	–	5,369
Loss on investment in Allied Esports Entertainment, Inc.	(1,925,029)	(4,968,175)	(3,043,146)
Total other income (expense)	(2,311,517)	15,480,563	(17,792,080)
Net income (loss) before provision for income taxes	(5,320,939)	12,884,082	(18,205,021)
Provision for income taxes	–	–	–
Net income from continuing operations, net of tax	(5,320,939)	12,884,082	(18,205,021)
Net income (loss) from discontinued operations	–	(7,421,050)	(7,421,050)
Net income before non-controlling interest	(5,320,939)	5,463,032	(10,783,971)
Less: Net income attributable to redeemable non-controlling interest	–	(1,332,529)	(1,332,529)
Net income (loss) attributable to Sow Good Inc.	<u>\$ (5,320,939)</u>	<u>\$ 4,130,503</u>	<u>\$ (9,451,442)</u>

### Management Fee Revenue

The Company earned \$466,595 in management fees for the year ended December 31, 2019, from its management agreement with BRAC subsequent to the Mergers. The Company did not earn any management fees during the year ended December 31, 2020.

### General and Administrative Expenses

#### Salaries and Benefits

Salaries and benefits for the year ended December 31, 2020 were \$1,477,124, compared to \$1,172,745 for the year ended December 31, 2019, an increase of \$304,379, or 26%. The increase in salaries and benefits was primarily due to severance pay accrued pursuant to the separation agreements for the former management team, as we transitioned to our new line of business.

#### Stock-based Compensation

Stock-based compensation expense for the year ended December 31, 2020 was \$726,656, compared to \$100,526 for the year ended December 31, 2019, an increase of \$626,130, or 623%. Stock-based compensation consisted of stock options expense in both periods, in addition to \$268,608 of expense related to the issuance of common stock to officers and directors incurred during the year ended December 31, 2020. Amortization of stock options increased as new options were granted toward the end of February 2020, with a five-year vesting period, and the vesting period was accelerated pursuant to separation agreements entered into on September 30, 2020.

#### Deferred Compensation

Deferred compensation expense for the year ended December 31, 2019 was \$1,396,460, consisting of expense related to the 2018 Management Incentive Plan (the “2018 Plan”). There was no deferred compensation expense in the current period.

#### Professional Services

General and administrative expenses related to professional services were \$451,125 for the 2020 period, compared to \$132,505 for the 2019 period, an increase of \$318,620, or 240%. The increase was primarily due to legal costs related to our asset purchase agreement with S-FDF, LLC.

#### Other General and Administrative Expenses

Other general and administrative expenses for the year ended December 31, 2020 were \$350,875, compared to \$259,968 for the year ended December 31, 2019, an increase of \$90,907, or 35%. The increase is attributable to increased administrative activity in the fourth quarter pursuant to the development of our freeze-dried foods business.

### Depreciation

Depreciation expense for the year ended December 31, 2020 was \$3,642, compared to \$872 for year ended December 31, 2019. The increase is attributable to the significant increase in capital expenditures incurred as we developed our freeze-dried foods production facility.

### Other Income (Expense)

In the year ended December 31, 2020, other expense was \$2,311,517, consisting of \$386,164 of interest expense derived from operating loans, including \$377,440 of warrants issued as consideration to officers and directors in exchange for their personal guarantees, a loss on the disposal of equipment of \$5,369, and a net loss on investments in Allied Esports Entertainment, Inc. securities of \$1,925,029, as offset by a \$5,000 grant from the Small Business Administration under their EIDL program and \$45 of interest income.

In the year ended December 31, 2019, other income was \$15,480,563, consisting of the gain upon deconsolidation of BRAC of \$26,322,687 and an offsetting merger

incentive expense of \$5,874,000 to recognize the cost related to transferring shares of AESE stock to the former owners of Allied Esports and WPT and other investors as incentive to participate in the merger, and \$51 of interest income, as offset by a net loss on investments in Allied Esports Entertainment, Inc. securities of \$4,968,175.

### Provision for Income Taxes

The Company had no income tax expense in the 2020 or 2019 periods, as the Company continues to reserve against any deferred tax assets due to the uncertainty of realization of any benefit.

### Net Loss from Discontinued Operations

Net loss from discontinued operations relates to the income and expenses of BRAC during the periods prior to deconsolidation. Net loss from discontinued operations consisted of a loss of \$7,421,050 during the year ended December 31, 2019. During the 2019 period, there were contingent closing costs from BRAC's underwriter and other investment bankers involved in the merger of \$7,917,500. Interest from investments in the trust account for the benefit of potential redeeming shareholders was \$1,780,992 in 2019, due to trust account redemptions and the withdrawal of the remaining assets at the time of the Mergers.

### Liquidity and Capital Resources

The following table summarizes our total current assets, liabilities and working capital at December 31, 2020 and 2019.

	December 31,	
	2020	2019
Current Assets	\$ 2,390,944	\$ 7,138,712
Current Liabilities	\$ 622,791	\$ 1,446,407
Working Capital	\$ 1,768,153	\$ 5,692,305

As of December 31, 2020, we had working capital of \$1,768,153.

The following table summarizes our cash flows during the years ended December 31, 2020 and 2019, respectively.

	Years Ended December 31,	
	2020	2019
Net cash used in operating activities	\$ (1,743,409)	\$ (9,709,780)
Net cash provided by investing activities	3,284,457	6,883,062
Net cash provided by financing activities	262,925	1,431,974
Net change in cash and cash equivalents	\$ 1,803,973	\$ (1,394,744)

Net cash used in operating activities was \$1,743,409 and \$9,709,780 for the years ended December 31, 2020 and 2019, respectively, a year over year decreased use of \$7,966,371. The decreased use was primarily due to a decrease of \$8,618,568 in net losses in discontinued operations of BRAC due primarily to the recognition of \$7,917,500 of contingent fees upon BRAC's business combination. Changes in working capital from continuing operating activities resulted in an increase in cash of \$340,735 during the year ended December 31, 2020, as compared to an increase in cash of \$7,360 for the same period in the previous year.

Net cash provided by investing activities was \$3,284,457 and \$6,883,062 for the years ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2020, cash provided by investing activities consisted of \$1,154,459 of cash received pursuant to our business combination with S-FDF, LLC, and \$3,181,735 of proceeds received from the sale of AESE securities, as offset by \$257,626 of equipment purchases and \$794,111 paid on construction projects still in progress. In the comparative period, virtually all the cash was provided from discontinued operations and was the result of transfers and withdrawals from the Trust Account, other than \$6,046 of equipment purchases during 2019.

Net cash provided by financing activities was \$262,925 and \$1,431,974 for the years ended December 31, 2020 and 2019, respectively. Net cash provided by financing activities consisted of \$802,025 of proceeds received from debt financing, including \$112,925 of proceeds received under the Paycheck Protection Program ("PPP") that were forgiven in January of 2021, as offset by \$539,100 of debt repayments in 2020. All of the 2019 activity was the result of activities in the discontinued operations of BRAC.

### Satisfaction of our cash obligations for the next 12 months

As of December 31, 2020, our balance of cash and cash equivalents was \$1,912,729 and we had total working capital of \$1,768,153. Based on projections of cash expenditures in the Company's current business plan, the cash on hand as of December 31, 2020 would be insufficient to sustain operations over the next year.

We expect to incur significant costs related to the development and operation of our freeze-dried foods business which will put a strain on our cash resources. Should the Company be successful in launching its products, we may pursue the expansion of our production capabilities through the construction of a second freeze drier. Adding a second freeze drier would require approximately \$1 million of incremental capital and would likely require the Company to identify additional sources of funding.

Our plan for satisfying our cash requirements for the next twelve months is through cash on hand and additional financing in the form of equity or debt as needed. On February 5, 2021, we raised \$2.525 million from the sale of an aggregate 631,250 shares of the Company's common stock at \$4.00 per share, resulting in approximately \$2.7 million of cash on hand and \$650,000 of liquid securities for a combined liquidity of \$3.35 million as of March 19, 2021. 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.

### Effects of inflation and pricing

We do not expect any significant effects from inflation and pricing.

#### ***Contractual obligations and commitments***

Upon closing of the Asset Purchase Agreement, the Company assumed the Seller's obligations under a real property lease for its 20,945 square foot facility at 1440 N. Union Bower Rd. Irving, TX 75061, under which an entity owned entirely by Ira Goldfarb is the landlord. The lease term is through September 15, 2025, with two five-year options to extend, at a monthly lease term of \$10,036, with approximately a 3% annual escalation of lease payments commencing September 15, 2021.

#### ***Summary of product and research and development that we will perform for the term of our plan***

We anticipate performing product research and development as required for our products and distribution under our new plan of operation. The Company currently has one full-time employee dedicated to product research and development. The Company's research and development activities primarily consist of product formulation, nutritional analysis, and taste analysis.

#### ***Expected purchase or sale of plant and significant equipment***

We anticipate the purchase of significant property and equipment in 2021 as we complete our freeze-dried production facility.

#### ***Significant changes in the number of employees***

As of December 31, 2020, we had eighteen employees, our chief executive officer, Claudia Goldfarb, our Executive Chairman, Ira Goldfarb, our chief financial officer, Brad Burke and fifteen other employees. We expect a significant change in the number of full-time employees over the next 12 months based upon our currently-projected business plan, as we commence production. We are using and will continue to use the services of independent consultants and contractors to perform various professional services for us or on behalf of our partners. We believe that this use of third-party service providers enhances our ability to contain general and administrative expenses. Currently, there are no organized labor agreements or union agreements and we do not anticipate any in the future.

#### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues, expenses, results of operations liquidity, capital expenditures or capital resources that are material to investors.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **Commodity Price Risk**

We do not expect any significant effects from commodity price risk.

### **Interest Rate Risk**

We do not anticipate entering into any transactions that would expose us to any direct interest rate risk.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA OF SOW GOOD, INC.**

**SOW GOOD, INC.**  
(FORMERLY BLACK RIDGE OIL & GAS, INC.)

### **FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

### **CONTENTS**

<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-1
<a href="#">Balance Sheets as of December 31, 2020 and 2019</a>	F-2
<a href="#">Statements of Operations for the years ended December 31, 2020 and 2019</a>	F-3
<a href="#">Statement of Stockholders' Equity for the years ended December 31, 2020 and 2019</a>	F-4
<a href="#">Statements of Cash Flows for the years ended December 31, 2020 and 2019</a>	F-5
<a href="#">Notes to the Financial Statements</a>	F-6



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and  
Stockholders of Sow Good, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying balance sheets of Sow Good, Inc. (the Company) as of December 31, 2020 and 2019, and the related statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

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

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

**Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company suffered a net loss from operations and the cash on hand would be insufficient to fund the Company over the next year, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Business Combination, S-FDF**

As discussed in Note 4, the Company acquired S-FDF, LLC in an acquisition accounted for as a business combination, which required asset and liabilities assumed to be measured at their acquisition date fair values. Significant judgment is exercised by the Company in determining the fair value of assets acquired. Management engaged specialists, and the work of management's specialists was used in performing the procedures to evaluate the reasonableness purchase price allocation. Given these factors and due to significant judgements made by management, the related audit effort in evaluating management's judgments in determining accounting for the business combination required a high degree of auditor judgment.

As a basis for using this work, the specialists' qualifications were understood and the Company's relationship with the specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by the specialists, tests of the data used by the specialists and an evaluation of the specialists' findings. We evaluated and tested the Company's significant judgments that determine the recognition of goodwill.

M&K CPAS, PLLC

We have served as the Company's auditor since 2010.

Houston, TX

March 31, 2021

	2020	2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,912,729	\$ 108,756
Investment in Allied Esports Entertainment, Inc.	280,417	6,982,300
Receivable from Allied Esports Entertainment, Inc.	–	505
Prepaid expenses	56,427	47,151
Inventory	141,371	–
Total current assets	<u>2,390,944</u>	<u>7,138,712</u>
<b>Property and equipment:</b>		
Property and equipment	497,494	134,202
Less accumulated depreciation	(2,612)	(127,803)
Construction in progress	1,639,690	–
Total property and equipment, net	<u>2,134,572</u>	<u>6,399</u>
Security deposit	10,000	–
Right-of-use asset	1,394,202	–
Goodwill	6,411,327	–
<b>Total assets</b>	<u>\$ 12,341,045</u>	<u>\$ 7,145,111</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 273,862	\$ 35,727
Accounts payable, related party	51,253	–
Accrued expenses	257,806	14,220
Deferred compensation	–	1,396,460
Current portion of operating lease liabilities	39,870	–
Total current liabilities	<u>622,791</u>	<u>1,446,407</u>
Operating lease liabilities	1,399,868	–
Notes payable	262,925	–
Total liabilities	<u>2,285,584</u>	<u>1,446,407</u>
Commitments and contingencies	–	–
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized, no shares issued and outstanding	–	–
Common stock, \$0.001 par value, 500,000,000 shares authorized, 2,742,890 and 1,599,555 shares issued and outstanding at December 31, 2020 and 2019, respectively	2,743	1,600
Additional paid-in capital	44,748,859	37,054,503
Common stock payable, consisting of 535,729 shares at December 31, 2020	1,982,197	–
Accumulated deficit	<u>(36,678,338)</u>	<u>(31,357,399)</u>
Total stockholders' equity	<u>10,055,461</u>	<u>5,698,704</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 12,341,045</u>	<u>\$ 7,145,111</u>

The accompanying notes are an integral part of these financial statements.

F-2

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**STATEMENTS OF OPERATIONS**

	For the Years Ended December 31,	
	2020	2019
Management fee income	\$ –	\$ 466,595
<b>Operating expenses:</b>		
<b>General and administrative expenses:</b>		
Salaries and benefits	1,477,124	1,172,745
Stock-based compensation	726,656	100,526
Deferred compensation	–	1,396,460
Professional services	451,125	132,505
Other general and administrative expenses	350,875	259,968
Total general and administrative expenses	<u>3,005,780</u>	<u>3,062,204</u>
Depreciation and amortization	3,642	872
Total operating expenses	<u>3,009,422</u>	<u>3,063,076</u>

Net operating loss		(3,009,422)	(2,596,481)
Other income (expense):			
Gain on deconsolidation of subsidiary		–	20,448,687
Interest expense, including \$377,440 of warrants issued as a debt discount for the year ended December 31, 2020		(386,164)	–
Other income		5,045	51
Loss on disposal of property and equipment		(5,369)	–
Loss on investment in Allied Esports Entertainment, Inc.		(1,925,029)	(4,968,175)
Total other income (expense)		(2,311,517)	15,480,563
Net income (loss) before provision for income taxes		(5,320,939)	12,884,082
Provision for income taxes		–	–
Net income (loss) from continuing operations, net of tax		(5,320,939)	12,884,082
Net loss from discontinued operations		–	(7,421,050)
Net income (loss) before non-controlling interest		(5,320,939)	5,463,032
Less net income attributable to redeemable non-controlling interest		–	(1,332,529)
Net income (loss) attributable to Sow Good Inc.	\$	(5,320,939)	\$ 4,130,503
Weighted average common shares outstanding - basic		1,886,951	1,599,555
Weighted average common shares outstanding - fully diluted		1,886,951	1,600,417
Net income (loss) per common share - basic	\$	(2.82)	\$ 2.58
Net income (loss) per common share - fully diluted	\$	(2.82)	\$ 2.58

The accompanying notes are an integral part of these financial statements.

F-3

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**STATEMENT OF STOCKHOLDERS' EQUITY**

	Common Stock		Additional Paid-in Capital	Common Stock Payable	Accumulated Deficit	Total Stockholders' Equity	Redeemable Non-controlling Interest
	Shares	Amount					
<b>Balance, December 31, 2018</b>	1,599,555	\$ 1,600	\$ 36,953,977	\$ –	\$ (35,487,902)	\$ 1,467,675	\$ 140,738,954
Common stock options granted for services to employees and directors	–	–	100,526	–	–	100,526	–
Non-controlling interest disposed in deconsolidation	–	–	–	–	–	–	(142,071,483)
Net income attributable to Sow Good, Inc.	–	–	–	–	4,130,503	4,130,503	1,332,529
<b>Balance, December 31, 2019</b>	1,599,555	\$ 1,600	\$ 37,054,503	\$ –	\$ (31,357,399)	\$ 5,698,704	\$ –
Common stock issued for services to employees and directors	23,335	23	139,988	128,597	–	268,608	–
Common stock issued for the purchase of S-FDF, LLC assets	1,120,000	1,120	6,718,880	1,853,600	–	8,573,600	–
Common stock options granted for services to employees and directors	–	–	458,048	–	–	458,048	–
Common stock warrants granted to employees and directors for personal guaranty on debt	–	–	377,440	–	–	377,440	–
Net income attributable to Sow Good, Inc.	–	–	–	–	(5,320,939)	(5,320,939)	–
<b>Balance, December 31, 2020</b>	2,742,890	\$ 2,743	\$ 44,748,859	\$ 1,982,197	\$ (36,678,338)	\$ 10,055,461	\$ –

The accompanying notes are an integral part of these financial statements.

F-4

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**STATEMENTS OF CASH FLOWS**

For the Years  
Ended December 31,

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) attributable to Sow Good Inc.	\$ (5,320,939)	\$ 4,130,503
Net loss from discontinued operations	–	7,421,050
Net income attributable to redeemable non-controlling interest	–	1,332,529
Adjustments to reconcile net loss attributable to Sow Good, Inc. to net cash used in operating activities:		
Gain on deconsolidation of subsidiary	–	(20,448,687)
Depreciation and amortization	3,642	872
Loss on disposal of property and equipment	5,369	–
Loss on investment in Allied Esports Entertainment, Inc.	2,123,688	4,968,175
Common stock issued to officers and directors for services	268,608	–
Amortization of stock options	458,048	100,526
Amortization of stock warrants issued as a debt discount	377,440	–
Deferred compensation	–	1,396,460
Decrease (increase) in current assets:		
Accounts receivable	–	13
Accounts receivable, related party	505	(505)
Prepaid expenses	158,596	(4,466)
Inventory	(141,371)	–
Right-of-use asset	15,934	–
Increase (decrease) in current liabilities:		
Accounts payable	152,275	3,789
Accrued expenses	164,119	8,529
Lease liabilities	(9,323)	–
Net cash used in operating activities of continuing operations	(1,743,409)	(1,091,212)
Net cash used in operating activities of discontinued operations	–	(8,618,568)
Net cash used in operating activities	(1,743,409)	(9,709,780)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash disposed in deconsolidation	–	(9,991,684)
Cash received in business combination	1,154,459	–
Purchase of property and equipment	(257,626)	(6,046)
Cash paid for construction in progress	(794,111)	–
Proceeds received from sale of investment in Allied Esports Entertainment, Inc. securities	3,181,735	–
Net cash provided by (used in) investing activities of continuing operations	3,284,457	(9,997,730)
Net cash provided by investing activities of discontinued operations	–	16,880,792
Net cash provided by investing activities	3,284,457	6,883,062
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds received from notes payable	802,025	–
Repayments on notes payable	(539,100)	–
Net cash provided by financing activities from continuing operations	262,925	–
Net cash provided by financing activities from discontinued operations	–	1,431,974
Net cash provided by financing activities	262,925	1,431,974
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,803,973	(1,394,744)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	108,756	1,503,500
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,912,729	\$ 108,756
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	\$ 4,895	\$ –
Income taxes paid	\$ –	\$ –
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Value of debt discounts attributable to warrants	\$ 377,440	\$ –
Value of investment in securities distributed to board members and employees	\$ 1,133,281	\$ –
Fair value of net assets acquired in business combination	\$ 2,162,273	\$ –
Fair value of common stock paid in business combination	\$ 8,573,600	\$ –
Recognition of subsidiary equity upon deconsolidation	\$ –	\$ 8,498,212
Non-cash investing and financing activities in discontinued operations	\$ –	\$ 229,914,415

The accompanying notes are an integral part of these financial statements.

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 1 – Organization and Nature of Business**

Effective January 21, 2021, we changed our name from Black Ridge Oil & Gas, Inc. to Sow Good Inc. (“SOWG,” “Sow Good,” or the “Company”). Our common stock is traded on the OTCQB under the trading symbol “SOWG”. At that time, our common stock started to be quoted on the OTCQB under the trading symbol “SOWG”, from the former trading symbol “ANFC”. Prior to April 2, 2012, the Company name was Ante5, Inc., which became an independent company in April 2010. We became a publicly

traded company when our shares began trading on July 1, 2010. From October 2010 through August 2019, we had been engaged in the business of acquiring oil and gas leases and participating in the drilling of wells in the Bakken and Three Forks trends in North Dakota and Montana and /or managing similar assets for third parties.

On September 26, 2017, the Company finalized an equity raise utilizing a rights offering and backstop agreement, raising net proceeds of \$5,051,675 and issuing 1,439,400 shares. The proceeds were used to sponsor a special purpose acquisition company, discussed below, with the remainder for general corporate purposes.

On October 10, 2017, the Company's sponsored special purpose acquisition company, Black Ridge Acquisition Corp. ("BRAC"), completed an IPO raising \$138,000,000 of gross proceeds (including proceeds from the exercise of an over-allotment option by the underwriters on October 18, 2017). In addition, the Company purchased 445,000 BRAC units at \$10.00 per unit in a private placement transaction for a total contribution of \$4,450,000 in order to fulfill its obligations in sponsoring BRAC, a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. BRAC's efforts to identify a prospective target business were not limited to a particular industry or geographic region. Following the IPO and over-allotment, BROG owned 22% of the outstanding common stock of BRAC and managed BRAC's operations via a management services agreement. On December 19, 2018, BRAC entered into a business combination agreement, which subsequently closed on August 9, 2019.

On October 1, 2020, the Company completed its acquisition of S-FDF, LLC pursuant to an Asset Purchase Agreement. In connection with the closing of the Asset Purchase Agreement, the Company acquired approximately \$2.2 million in cash and certain assets and agreements related to the Seller's freeze-dried fruits and vegetables business for human consumption and entered into certain employment and registration rights agreements.

As of December 31, 2020, the Company owned 177,479 shares of Allied Esports Entertainment, Inc. (NASDAQ: AESE), the surviving entity after BRAC's business combination ("Sponsor Shares"), after selling 1,970,920 shares for total net proceeds of \$3,108,067, selling warrants to purchase 505,000 shares of AESE (NASDAQ: AESEW) ("Sponsor Warrants") for total proceeds of \$73,668, and distributing 537,101 Sponsor Shares on August 9, 2020 to employees and directors under the 2018 Management Incentive Plan, dated March 6, 2018.

## **Note 2 – Summary of Significant Accounting Policies**

### Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (SEC). All references to Generally Accepted Accounting Principles ("GAAP") are in accordance with The FASB Accounting Standards Codification ("ASC") and the Hierarchy of Generally Accepted Accounting Principles.

### Reclassifications

In the prior year, the income, expense and cash flows from Black Ridge Acquisition Corp., a wholly-owned subsidiary formed on October 10, 2017, which was consolidated as a variable interest entity through August 9, 2019, the date that BRAC completed a business combination with Allied Esports Entertainment, Inc. ("AESE"), were consolidated and have been retrospectively classified as discontinued operations. In addition, prior period investment in Allied Esports Entertainment, Inc. securities of \$6,982,300 were reclassified from long term assets to current assets to conform to management's intent and ability to liquidate the asset.

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**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

### Segment Reporting

FASB ASC 280-10-50 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.

### Use of Estimates

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

### Environmental Liabilities

The Company was formerly a direct owner of assets in the oil and gas industry. The oil and gas industry is subject, by its nature, to environmental hazards and clean-up costs. At this time, management knows of no substantial losses from environmental accidents or events which would have a material effect on the Company.

### 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 at December 31, 2020 and 2019.

### 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) and the Securities Investor Protection Corporation (SIPC) up to \$250,000 and \$500,000, respectively, under current regulations. The Company had approximately \$1,311,464 and \$0- in excess of FDIC and SIPC insured limits at December 31, 2020 and 2019, respectively. The Company has not experienced any losses in such accounts.

### Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board 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 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. The Company had no items that required fair value measurement on a recurring basis.

### 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:

Software	3 years, or over the life of the agreement
Office equipment	5 years
Furniture and fixtures	5 years
Machinery and equipment	7-10 years
Intangible assets	Indefinite
Leasehold improvements	Fully extended lease-term

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 and amortization are eliminated and any resulting gain or loss is reflected in operations. Depreciation expense was \$3,642 and \$872 for the years ended December 31, 2020 and 2019, respectively.

F-7

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

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 intellectual property is comprised of indefinite-lived brand names acquired and have been assigned an indefinite life as we currently anticipate that these brand names will contribute cash flows to the Company perpetually. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Inventory

Inventory, consisting of raw materials, material overhead, labor, and manufacturing overhead, are stated at the lower of cost (first-in, first-out) or net realizable value and consist of the following:

	December 31, 2020	December 31, 2019
Raw materials	\$ 141,371	\$ —

No reserve for obsolete inventories has been recognized, and we have not yet commenced production.

Goodwill

The Company evaluates goodwill on an annual basis in the fourth quarter or more frequently if management believes indicators of impairment exist. Such indicators could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, management conducts a quantitative goodwill impairment test. The impairment test involves comparing the fair value of the applicable reporting unit with its carrying value. The Company estimates the fair values of its reporting units using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The Company's evaluation of goodwill completed during the year resulted in no impairment losses.

Revenue Recognition

The Company will recognize revenue in accordance with ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company will recognize revenue from the sale of its freeze-dried food products once operations commence, in accordance with a five-step model in which the Company will evaluate the transfer of promised goods or services and recognize 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 the arrangements that the Company determines are within the scope of ASC 606, the Company will perform 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 a separate performance obligation. Revenue will be reported net of applicable provisions for discounts, returns and allowances. Methodologies for determining these provisions will be dependent on customer pricing and promotional practices. The Company will record reductions to revenue for estimated product returns and pricing adjustments in the same period that the related revenue is recorded. These estimates will be 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 recognized management fee income as services were provided in 2019.

F-8

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

Revenue Concentration

All of the Company's revenue earned came from management fees earned through its management services agreement with BRAC, which ceased as of December 31, 2019.

Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") are computed by dividing net income (the numerator) by the weighted average number of common shares outstanding for the period (the denominator). Diluted EPS is computed by dividing net income by the weighted average number of common shares and potential common shares outstanding (if dilutive)

during each period. Potential common shares include stock options, warrants and restricted stock. The number of potential common shares outstanding relating to stock options, warrants and restricted stock is computed using the treasury stock method.

The reconciliation of the denominators used to calculate basic EPS and diluted EPS for the years ended December 31, 2020 and 2019 are as follows:

	Years Ended December 31,	
	2020	2019
Weighted average common shares outstanding – basic	1,886,951	1,599,555
Plus: Potentially dilutive common shares:		
Stock options and warrants	–	862
Weighted average common shares outstanding – diluted	1,886,951	1,600,417

For 2020 and 2019, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. Stock options and warrants excluded from the calculation of diluted EPS because their effect was anti-dilutive were 565,824 and 34,204 of December 31, 2020 and 2019, respectively.

#### Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company recognized \$268,608 of stock-based compensation for the issuance of shares of common stock for services in 2020. Amortization of the fair values of stock options issued for services and compensation totaled \$458,048 and \$100,526 for the years ended December 31, 2020 and 2019, respectively. The fair values of stock options were determined using the Black-Scholes options pricing model and an effective term of 6 to 6.5 years based on the weighted average of the vesting periods and the stated term of the option grants and the discount rate on 5 to 7 year U.S. Treasury securities at the grant date and are being amortized over the related implied service term, or vesting period. In addition, \$377,440 of expenses related to the amortization of warrants issued in consideration of personal guarantees provided for debt financing, using the Black-Scholes options pricing model and an effective term of 5 years based on the weighted average of the vesting periods and the stated term of the warrant grants and the discount rate on 5 year U.S. Treasury securities at the grant date were recognized as interest expense for the year ended December 31, 2020.

#### Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

On December 22, 2017 the U.S. Tax Cuts and Jobs Act of 2017 (“Tax Reform”) was signed into law. As a result of Tax Reform, the U.S. statutory rate was lowered from 35% to 21% effective January 1, 2018, among other changes. ASC Topic 740 requires companies to recognize the effect of tax law changes in the period of enactment; therefore, the Company was required to value its deferred tax assets and liabilities at the new rate. The SEC issued Staff Accounting Bulletin No. 118 (“SAB 108”) to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain effects of Tax Reform. The ultimate impact may differ from the provisional amount, possibly materially, as a result of additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued and actions the Company may take as a result of Tax Reform.

F-9

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

#### Uncertain Tax Positions

In accordance with ASC 740, “Income Taxes” (“ASC 740”), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities can periodically audit the Company’s income tax returns. These audits include questions regarding the Company’s tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company’s tax position relies on the judgment of management to estimate the exposures associated with the Company’s various filing positions.

#### 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 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*. The amendments in ASU 2018-10 provide additional clarification and implementation guidance on certain aspects of the previously issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”) and have the same effective and transition requirements as ASU 2016-02. Upon the effective date, ASU 2018-10 will supersede the current lease guidance in ASC Topic 840, *Leases*. Under the new guidance, lessees will be required to recognize for all leases, with the exception of short-term leases, a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis. Concurrently, lessees will be required to recognize a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. ASU 2018-10 is effective for private companies and emerging growth public companies for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted. The guidance is required to be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative periods presented in the financial statements. The Company adopted this guidance effective January 1, 2019, and the standard did not have a material impact on the Company’s financial statements and related disclosures until the closing of the asset purchase with S-FDF, LLC on October 1, 2020.

#### **Note 3 – Going Concern**

As shown in the accompanying financial statements, as of December 31, 2020, the Company had a cash balance of \$1,912,729 and working capital of \$1,768,153. The Company has no revenue source presently. Based on projections of cash expenditures in the Company’s current business plan, the cash on hand would be insufficient to sustain operations over the next year. On February 5, 2021, we raised \$2.525 million from the sale of an aggregate 631,250 shares of the Company’s common stock at \$4.00 per share,

resulting in approximately \$2.7 million of cash on hand and \$650,000 of liquid securities for a combined liquidity of \$3.35 million as of March 19, 2021.

The Company continues to pursue sources of additional capital through debt and financing transactions or arrangements, including equity financing or other means. We may not be successful in identifying suitable funding transactions in a sufficient time period or at all, and we may not obtain the capital we require by other means. If we do not succeed in raising additional capital, our resources may not be sufficient to fund our business. 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.

The 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. These 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.

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 4 – Business Combination, S-FDF**

On October 1, 2020, the Company completed its acquisition of S-FDF, LLC (the "Seller"), a Texas limited liability company, pursuant to an Asset Purchase Agreement, between the Company and the Seller, dated June 9, 2020, as subsequently amended effective October 1, 2020. In connection with the closing of the Asset Purchase Agreement, the Company acquired approximately \$2.2 million in cash and certain assets and agreements related to the Seller's freeze-dried fruits and vegetables business for human consumption and entered into certain employment and registration rights agreements. The Company did not assume any liabilities of Seller or any liabilities, liens, or encumbrances pertaining to or encumbering the Purchased Assets, except for those related to agreements or arrangements specified in the Asset Purchase Agreement. The Seller transferred the Purchased Assets to the Company in exchange for the issuance of 1,120,000 shares of the Company's common stock to the Seller. The number of Seller Shares to be issued was subject to adjustment, as specified in the Asset Purchase Agreement, as amended, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of Allied Esports Entertainment Inc. ("AESE") Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement, which resulted in the issuance of an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company's issued and outstanding common stock, on a fully diluted basis. Black Ridge Oil & Gas, Inc. was determined to be the acquiror of the business combination.

Pursuant to its obligations under the Asset Purchase Agreement, on the Closing Date the Company, (a) created three new seats on the Company's Board of Directors and appointed the Seller's principals, Ira Goldfarb and Claudia Goldfarb, and a third person designated by the Goldfarbs, Greg Creed, as directors, (b) entered into employment agreements with Ira Goldfarb and Claudia Goldfarb, (c) delivered a registration rights agreement with respect to the Seller Shares and any shares of common stock delivered as part of the employment compensation for Ira Goldfarb or Claudia Goldfarb, and (d) amended the Company's 2020 Stock Incentive Plan to increase the number of shares of common stock reserved thereunder. At closing, the Company also assumed the Seller's obligations under a real property lease for its facility in Irving, Texas under which an entity owned entirely by Ira Goldfarb is the landlord.

This acquisition was accounted for as a business combination under the purchase method of accounting. The purchase resulted in the recognition of \$6,411,327 of goodwill, which is evaluated annually for impairment, unless circumstances change that require an earlier determination. According to the purchase method of accounting, the Company recognized the identifiable assets acquired and liabilities assumed as follows:

	October 1, 2020
<b>Consideration:</b>	
Fair value of 1,620,973 shares of common stock	\$ 8,573,600
<b>Liabilities assumed:</b>	
Accounts payable	137,113
Accrued expenses	79,467
Lease liabilities	1,449,061
Total consideration	\$ 10,239,241
<b>Fair value of identifiable assets acquired assumed:</b>	
Cash	\$ 1,154,459
Other receivables	17,348
Prepaid expenses	150,524
Property and equipment	239,868
Construction in progress	845,579
Security deposit	10,000
Right-of-use asset	1,410,136
Total fair value of assets assumed	3,827,914
<b>Consideration paid in excess of fair value (Goodwill)<sup>(1)</sup></b>	<b>\$ 6,411,327</b>

(1) The consideration paid in excess of the net fair value of assets acquired and liabilities assumed was recognized as goodwill. The book value of the net assets acquired was determined to represent the fair market value, and no additional intangible assets were evidenced.

## Pro Forma Results

The following table sets forth the unaudited pro forma results of the Company as if the acquisition of S-FDF, LLC was effective on the first day of each of the periods presented. These combined results are not necessarily indicative of the results that may have been achieved had the companies always been combined.

	For the Years Ended December 31,	
	2020 (Unaudited)	2019 <sup>(2)</sup> (Unaudited)
Revenues	\$ –	\$ 466,595
Net operating loss	\$ (3,346,407)	\$ (2,596,481)
Net income (loss)	\$ (5,657,924)	\$ 4,130,503
Weighted average common shares outstanding - basic	3,507,924	3,220,528
Weighted average common shares outstanding - fully diluted	3,507,924	3,221,390
Net income (loss) per common share - basic	\$ (1.61)	\$ 1.28
Net income (loss) per common share - fully diluted	\$ (1.61)	\$ 1.28

<sup>(2)</sup>S-FDF, LLC was formed on May 4, 2020, therefore pro forma operation for 2019 are identical to the Company's actual results, other than the basic and fully diluted net income per share amounts.

## Note 5 – BRAC's IPO, Consolidation of BRAC and Non-controlling Interest

### BRAC's IPO

The registration statement for the BRAC's IPO was declared effective on October 4, 2017. The registration statement was initially declared effective for 10,000,000 units ("Units" and, with respect to the common stock included in the Units being offered, the "Public Shares"), but the offering was increased to 12,000,000 Units pursuant to Rule 462(b) under the Securities Act of 1933, as amended. On October 10, 2017, the Company consummated the Initial Public Offering of 12,000,000 units, generating gross proceeds of \$120,000,000.

Simultaneous with the closing of the IPO, BRAC sold 400,000 units (the "Placement Units") at a price of \$10.00 per Unit in a private placement to BROG, generating gross proceeds of \$4,000,000. BROG's investment in BRAC's common stock was eliminated in consolidation prior to the BRAC's merger on August 9, 2019.

Transaction costs relating to the IPO amounted to \$2,882,226, consisting of \$2,400,000 of underwriting fees and \$482,226 of other costs.

Following the closing of the IPO on October 10, 2017, an amount of \$120,600,000 (\$10.05 per Unit) from the net proceeds of the sale of the Units in the IPO and the Placement Units was placed in a trust account ("Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by BRAC meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by BRAC, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the Trust Account, as described below.

On October 18, 2017, in connection with the underwriters' exercise of their over-allotment option in full, BRAC sold an additional 1,800,000 Units and sold an additional 45,000 Placement Units to BROG at \$10.00 per Unit, generating total proceeds of \$18,450,000. Transaction costs for underwriting fees on the sale of the over-allotment units were \$360,000. Following the closing, an additional \$18,090,000 of the net proceeds (\$10.05 per Unit) was placed in the Trust Account, bringing the total aggregate proceeds held in the Trust Account to \$138,690,000 (\$10.05 per Unit). BROG's investment in BRAC's common stock was eliminated in consolidation prior to the BRAC's merger on August 9, 2019.

Upon the closing of the IPO, \$10.05 per Unit sold in the IPO, including some of the proceeds of the Private Placements was deposited in a trust account ("Trust Account") to be held until the earlier of (i) the consummation of its initial Business Combination or (ii) BRAC's failure to consummate a Business Combination within 21 months from the consummation of the IPO (the "Combination Period").

F-12

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

### The Extension Meeting

On July 9, 2019, BRAC held a special meeting of its stockholders (the "Meeting"). At the Meeting, BRAC's stockholders considered a proposal to adopt and approve an amendment to BRAC's amended and restated certificate of incorporation (the "Charter") to extend the date that BRAC had to consummate a business combination (the "Extension") to August 10, 2019. The amendment was approved by the stockholders and filed with the Secretary of State of the State of Delaware on July 9, 2019.

In connection with this vote, the holders of 9,246,727 shares of BRAC's common stock properly exercised their right to convert their shares into cash at a conversion price of approximately \$10.29 per share resulting in \$95,125,574 in Trust Account assets being distributed back to shareholders. In connection with the Extension, BROG loaned \$30,000 to BRAC to be placed in the Trust Account for the benefit of the public shares that were not converted. The loan was non-interest bearing and evidenced by a promissory note issued by BRAC on the same date. The loan was repaid on August 12, 2019.

### Business Combination Agreement

On December 19, 2018, BRAC entered into the Business Combination Agreement with Merger Sub, Allied Esports, Ourgame, Noble and Primo. The Business Combination Agreement was amended on August 5, 2019 and the Business Combination Agreement as amended is referred to as the Amended Business Combination Agreement. The merger closed on August 9, 2019 (the "Closing Date").

Subject to the Amended Business Combination Agreement, (i) Noble merged with and into Allied Esports (the "Redomestication Merger") with Allied Esports being the surviving entity in such merger and (ii) immediately after the Redomestication Merger, Merger Sub merged with into Allied Esports with Allied Esports being the surviving entity of such merger (the "Transaction Merger" and together with the Redomestication Merger, the "Mergers").

The Mergers resulted in BRAC acquiring two of Ourgame's global esports and entertainment assets, Allied Esports and WPT. Allied Esports is a premier esports entertainment company with a global network of dedicated esports properties and content production facilities. WPT is the creator of the World Poker Tour® (WPT®) – the premier name in internationally televised gaming and entertainment with brand presence in land-based tournaments, television, online and mobile. The transactions strategically combined the

globally recognized Allied Esports brand with the three-pronged business model of the iconic World Poker Tour, featuring in-person experiences, multiplatform content and interactive services, to leverage the high-growth opportunities in the global esports industry.

The Business Combination Agreement, which original called for a debt repayment to Ourgame of \$35,000,000 was amended to call for BRAC to (i) assume \$10,000,000 of the debt obligations of Ourgame and Noble (including an additional \$1,200,000 of accrued interest) and (ii) repay Ourgame the remaining balance of \$23,800,000 by paying \$3,500,000 in cash to Ourgame and its designees, issuing to Ourgame and its designees 2,928,679 shares of BRAC's common stock and Ourgame retaining \$1,000,000 of the proceeds of such loans to pay its transaction expenses incurred in the Merger. In connection with entering into the Amendment, BROG, as BRAC's founder, agreed to transfer an aggregate of 600,000 shares of BRAC's common stock held by it to Ourgame.

Additionally, In July and August 2019, BRAC and BROG entered into several share purchase agreements (the "Purchase Agreements") with several parties (collectively referred to as the "Purchasers"). Pursuant to the Purchase Agreements, the Purchasers agreed to purchase an aggregate of \$18,000,000 of shares of BRAC's common stock in open market or privately negotiated transactions. If the Purchasers were unable to purchase the full \$18,000,000 of shares of common stock in open market or privately negotiated transactions, BRAC will issue to the Purchasers newly issued shares at the Closing at a per-share price equal to the per-share amount held in BRAC's trust account (\$10.30 per share), and having an aggregate value equal to the difference between \$18,000,000 and the dollar amount of shares purchased by them in the open market or in privately negotiated transactions. At the Closing, BRAC agreed to issue to the Purchasers 1.5 shares of common stock for every 10 shares purchased by them under the Purchase Agreements. Additionally, BROG agreed to transfer an aggregate of 720,000 shares held by it of BRAC common stock to the Purchasers. Pursuant to the Purchase Agreements, BRAC is required to file a registration statement with the SEC as promptly as practicable following the closing of the merger to register the resale of any securities purchased by the Purchasers that are not already registered and cause such registration statement to become effective as soon as possible. The Purchasers included a \$3 million investment from Lyle Berman, a member of the board of directors of both BRAC and BROG and the largest shareholder of BROG. Additionally, \$5 million will be held in an escrow account and its usage will be limited to specific capital projects.

Consummation of the transactions contemplated by the Amended Business Combination Agreement was subject to certain closing conditions including, among others, (i) approval by the stockholders of BRAC, and (ii) that BRAC have available cash in an amount not less than \$22,000,000 after payment to stockholders who elect to redeem their shares of common stock in accordance with the provisions of BRAC's charter documents. This second condition was waived by Ourgame prior to the close.

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F-13

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

*Consolidation of BRAC and Non-controlling Interest*

The Company determined that BRAC, following its IPO, was a VIE and that the Company is the primary beneficiary of the VIE. The Company determined that, due to the redemption feature associated with the IPO shares, that the IPO shareholders are indirectly protected from the operating expenses of BRAC and BROG had the power to direct the activities of BRAC through the date at which BRAC affords the stockholders the opportunity to vote to approve a proposed business combination. Therefore, the consolidated financial statements contain the operations of the BRAC from its inception on May 9, 2017 through the date of the merger, when BRAC was determined to no longer be a VIE. BRAC's IPO shareholders are reflected in our Consolidated Financial Statements as a redeemable non-controlling interest prior to the merger. The non-controlling interest was recorded at fair value on October 10, 2017, with an addition on October 18, 2017 as a result of the underwriters' exercise of their over-allotment option. During the period in which BRAC was consolidated, the net earnings attributable to the IPO shareholders are subtracted from the net gain (loss) for any period to arrive at the net loss attributable to the Company and the non-controlling interest on the balance sheet is adjusted to include the net earnings attributable to the IPO shareholders.

*Deconsolidation of BRAC*

Additionally, US GAAP (ASC 810-10-40) provides guidance on "Derecognition" of a previously consolidated entity or entities. Under this guidance, the Company shall account for the deconsolidation of a subsidiary or derecognition of a group of assets specified in ASC 810-10-40-3A by recognizing a gain or loss in net income attributable to the parent, measured as the difference between the combination of:

- a) The fair value of:
  - any consideration received. In this case, the Company received no consideration.
  - any retained non-controlling investment in the former subsidiary or group of assets at the date the subsidiary is deconsolidated, or the group of assets is derecognized. In this case the fair value of the BRAC common stock at the close of the business combination was \$11,950,475, and;
- b) The carrying amount of the former subsidiaries assets and liabilities or the carrying amount of the group of assets.

With the above guidance the Company determined that the effect of the deconsolidation of BRAC produced a non-cash adjustment, resulting in a gain of \$20,448,687.

*Intercompany Transactions and Eliminations*

BROG was paid a management fee by AESE of \$10,000 per month as part of an administrative services agreement, which commenced October 5, 2017 and ended on the date of the merger, for general and administrative services including the cost of office space and personnel dedicated to AESE. BROG was also reimbursed for any out-of-pocket expenses, particularly travel, incurred in connection with activities on AESE's behalf, including but not limited to identifying potential target businesses and performing due diligence on suitable business combinations. AESE paid a total of \$72,903 to BROG for such services in 2019, prior to the merger and while AESE remained a VIE and was consolidated and included in our loss on discontinued operations. The management services income of BROG and the management services expense of AESE as well as any balances due between the companies for such services or reimbursements were eliminated in consolidation. Management fees earned by BROG of \$466,595 subject to the management services agreement between AESE and BROG in effect subsequent to the merger were not eliminated.

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F-14

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

## Note 6 – Related Party

### Common Stock Awarded Pursuant to Business Combination

On October 1, 2020, the Company issued 1,120,000 shares of common stock to S-FDF, LLC, a Texas limited liability company co-owned by Claudia and Ira Goldfarb, pursuant to an Asset Purchase Agreement, between the Company and the Seller. The issuance represented 41.18% of the Company's issued and outstanding common stock at the time. The fair value of the common stock was \$6,720,000 based on the closing price of the Company's common stock on the date of grant.

The number of Seller Shares to be issued was subject to adjustment, as specified in the amended Asset Purchase Agreement, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of Allied Esports Entertainment Inc. ("AESE") Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement. This resulted in an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company's issued and outstanding common stock, on a fully diluted basis. The fair value of the 500,673 shares was \$1,853,600, based on the closing price of the Company's common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020.

### Common Stock Issued to Officers for Services, Common Stock Payable

On January 4, 2021, the Board amended Claudia and Ira Goldfarb's employment agreements to issue shares of common stock in equal monthly increments of 5,541 and 6,044 shares, respectively, following each month of employment from October 2020 through December 31, 2021. The Company awarded an aggregate 16,623 and 18,133 shares of common stock to Claudia and Ira, respectively, for their services from October through December 31, 2020 as a common stock payable. The aggregate fair value of the shares was \$61,505 and \$67,092 for Claudia and Ira, respectively, based on the closing price of the Company's common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020. The shares were subsequently issued on January 4, 2021.

### Common Stock Issued to Directors for Services

On October 1, 2020, the Company issued an aggregate 20,835 shares of common stock amongst its five Directors for annual services to be rendered. The aggregate fair value of the common stock was \$125,010, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

On October 1, 2020, the Company issued an additional 2,500 shares to Mr. Benjamin Oehler, for Audit Committee Chair services. The fair value of the common stock was \$15,000, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

### Management Incentive Plan

On March 1, 2018, the Board of Directors (the "Board") of the Company approved and adopted the Black Ridge Gas, Inc. 2018 Management Incentive Plan (the "Plan") and the form of 2018 Management Incentive Plan Award Agreement (the "Award Agreement").

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

Following the AESE merger on August 9, 2019, the Company owned 2,685,500 shares of AESE common stock and 505,000 warrants to purchase AESE (NASDAQ: AESEW). During the year ended December 31, 2020, the Company sold some of these securities, resulting in gross proceeds of \$3,181,735, consisting of 1,970,920 shares of common stock for total proceeds of \$3,108,067, and the sale of warrants to purchase 505,000 shares for total proceeds of \$73,668. The Company also distributed 537,101 Sponsor Shares on August 9, 2020 to employees and directors under the 2018 Management Incentive Plan. Employees and directors were required to remain in their positions for a one-year period from the AESE merger, with certain exceptions, to receive the granted shares. The AESE Plan Shares had a fair market value of \$1,133,281 on August 10, 2020, when the shares were distributed. The Company recognized \$1,396,460 of compensation expense related to the Plan during the year ended December 31, 2019.

### Lease Agreement

Upon closing of the Asset Purchase Agreement, the Company assumed the Seller's obligations under a real property lease for its 20,945 square foot facility in Irving, Texas, under which an entity owned entirely by Ira Goldfarb is the landlord. The lease term is through September 15, 2025, with two five-year options to extend, at a monthly lease term of \$10,036, with approximately a 3% annual escalation of lease payments commencing September 15, 2021.

### Shares Transferred to Purchasers of BRAC Common Stock

As presented in Note 5, in July and August 2019, BRAC and BROG entered into several share purchase agreements (the "Purchase Agreements") with several parties (collectively referred to as the "Purchasers"). Pursuant to the Purchase Agreements, the Purchasers agreed to purchase an aggregate of \$18,000,000 of shares of BRAC's common stock in open market or privately negotiated transactions. If the Purchasers were unable to purchase the full \$18,000,000 of shares of common stock in open market or privately negotiated transactions, BRAC will issue to the Purchasers newly issued shares at the Closing at a per-share price equal to the per-share amount held in BRAC's trust account (\$10.30 per share), and having an aggregate value equal to the difference between \$18,000,000 and the dollar amount of shares purchased by them in the open market or in privately negotiated transactions. At the Closing, BRAC agreed to issue to the Purchasers 1.5 shares of common stock for every 10 shares purchased by them under the Purchase Agreements. Additionally, the Company agreed to transfer an aggregate of 720,000 shares held by it of BRAC common stock to the Purchasers. The Purchasers included a \$3 million investment from Lyle Berman, a member of the board of directors of both BRAC and BROG and the largest shareholder of BROG. Mr. Berman received 43,800 bonus shares of BRAC common stock issued by BRAC and 120,000 shares of BRAC common stock transferred from the Company.

## Note 7 – 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 and cash equivalents and a revolving credit facility 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.

F-16

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of December 31, 2020 and 2019:

	Fair Value Measurements at December 31, 2020		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash and cash equivalents	\$ 1,912,729	\$ -	\$ -
Investment in Allied Esports Entertainment, Inc.	280,417	-	-
Goodwill	6,411,327	-	-
Total assets	<u>8,604,473</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Notes payable	-	262,925	-
Total liabilities	<u>-</u>	<u>262,925</u>	<u>-</u>
	<u>\$ 8,604,473</u>	<u>\$ (262,925)</u>	<u>\$ -</u>

  

	Fair Value Measurements at December 31, 2019		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash and cash equivalents	\$ 108,756	\$ -	\$ -
Investment in Allied Esports Entertainment, Inc.	6,982,300	-	-
Total assets	<u>7,091,056</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
None	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,091,056</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the years ended December 31, 2020 and 2019.

**Note 8 – Prepaid Expenses**

Prepaid expenses consist of the following:

	December 31,	
	2020	2019
Prepaid software licenses	\$ 26,853	\$ -
Prepaid insurance costs	11,325	21,090
Prepaid employee benefits	8,082	11,587
Prepaid office and other costs	10,167	14,474
Total prepaid expenses	<u>\$ 56,427</u>	<u>\$ 47,151</u>

F-17

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 9 – Property and Equipment**

Property and equipment at December 31, 2020 and 2019, consisted of the following:

	December 31,	
	2020	2019
Office equipment	\$ 5,042	\$ 134,202
Machinery	183,680	-
Software	49,000	-
Website	259,772	-
Construction in progress	1,639,690	-
	<u>2,137,184</u>	<u>134,202</u>

Less: Accumulated depreciation and amortization	(2,612)	(127,803)
Total property and equipment, net	<u>\$ 2,134,572</u>	<u>\$ 6,399</u>

Construction in progress consists of costs incurred to build out our manufacturing facility in Irving Texas, along with the construction of our freeze driers. These costs will be capitalized as Leasehold Improvements and Machinery, respectively, upon completion.

On September 30, 2020, the Company disposed of computer equipment no longer in service. No proceeds were received on the disposal of the equipment, resulting in a loss on disposal of fixed assets of \$5,369, which represented the net book value at the time of disposal.

Depreciation of property and equipment was \$3,642 and \$872 for the years ended December 31, 2020 and 2019, respectively.

#### Note 10 – Investment in Allied Esports Entertainment, Inc.

Following the close of BRAC’s merger, the Company retained 2,685,500 shares of AESE common stock with a value, based on the closing stock of \$4.45 on the merger, of \$11,950,475, and tradeable warrants to purchase 505,000 shares of AESE (NASDAQ: AESEW) (“Sponsor Warrants”), of which the Company still owned 177,479 shares as of December 31, 2020, after selling 1,970,920 shares for total net proceeds of \$3,108,067, selling warrants to purchase 505,000 Sponsor Warrants for total proceeds of \$73,668, and distributing 537,101 Sponsor Shares on August 10, 2020 to employees and directors under the 2018 Management Incentive Plan. As noted above, in Note 6 - Related Party Transactions, 20% or 537,101, of the shares were released to employees on August 10, 2020. Therefore, the Company recorded compensation expense and recorded a deferred compensation liability of \$1,396,460 to recognize the commitment to employees in 2019.

As of December 31, 2020, the market value of the Company’s investment in AESE’s common stock was \$280,417, based on the closing stock price of \$1.58 per share, resulting in losses on our investment in securities, as follows:

	December 31, 2020	December 31, 2019
Net loss on investment in Allied Esports Entertainment, Inc. securities	\$ (1,925,029)	\$ (4,968,175)
Less: Net gains and losses recognized on equity securities sold during the period	(1,764,200)	–
Unrealized losses recognized on equity securities still held at the end of the period	<u>\$ (160,829)</u>	<u>\$ (4,968,175)</u>

F-18

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

#### Note 11 – Leases

The Company leases its 20,945 square foot operating and office facility under a non-cancelable real property lease agreement that expires on August 31, 2025, with two five-year options to extend, at a monthly lease term of \$10,036, with approximately a 3% annual escalation of lease payments commencing September 15, 2021, subject to the ASU 2016-02. In the locations in which it is economically feasible to continue to operate, management expects to enter into a new lease upon expiration. The operating and office facility lease contains provisions requiring payment of property taxes, utilities, insurance, maintenance and other occupancy costs applicable to the leased premise. As the Company’s leases do 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 Year Ended December 31, 2020
Operating lease cost:	
Fixed rent expense	<u>\$ 81,720</u>

Supplemental balance sheet information related to leases was as follows:

	December 31, 2020
Operating leases:	
Operating lease assets	<u>\$ 1,394,202</u>
Current portion of operating lease liabilities	\$ 39,870
Noncurrent operating lease liabilities	1,399,868
Total operating lease liabilities	<u>\$ 1,439,738</u>

Weighted average remaining lease term:

Operating leases	14.98 years
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Weighted average discount rate:

Operating leases	5.75%
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Supplemental cash flow and other information related to leases was as follows:

For the  
Year Ended  
December 31,

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	\$ 9,323
Leased assets obtained in exchange for lease liabilities:	
Total operating lease liabilities	\$ 1,431,463

The future minimum lease payments due under operating leases as of December 31, 2020 is as follows:

Fiscal Year Ending December 31,	Minimum Lease Commitments
2021	\$ 121,638
2022	125,287
2023	129,046
2024	132,917
2025	1,690,905
	\$ 2,199,793
Less effects of discounting	760,055
Lease liability recognized	\$ 1,439,738

F-19

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 12 – Notes Payable**

Notes payable consists of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
On June 16, 2020, the Company entered into a loan authorization and 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 \$150,000 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 June 16, 2020, between the SBA and the Company (the “EIDL Security Agreement”) 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 \$731 every month beginning June 16, 2021. All remaining principal and accrued interest is due and payable on June 16, 2050. The EIDL Note may be repaid at any time without penalty.	\$ 150,000	\$ –
On April 24, 2020, the Company entered into a loan agreement with Kensington Bank (“Kensington”), as lender (the “Loan Agreement”) encompassing a \$112,925 Promissory Note issued to Kensington (the “PPP Note”) pursuant to Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), which provides loans to qualifying businesses and is administered by the U.S. Small Business Administration (the “SBA”). The PPP Note bears interest at 1.00% per annum, with interest payable monthly beginning November 24, 2020, and principal due in full on April 24, 2022. The PPP Note may be repaid at any time without penalty. Under the Payroll Protection Program, the Company will be eligible for loan forgiveness up to the full amount of the PPP Note and any accrued interest. The forgiveness amount will be equal to the amount that the Company spends during the 24-week period beginning April 24, 2020 on payroll costs, payment of rent on any leases in force prior to February 15, 2020 and payment on any utility for which service began before February 15, 2020. The maximum amount of loan forgiveness for non-payroll expenses is 40% of the amount of the PPP Note. On January 19, 2021, the Company received forgiveness, as authorized by Section 1106 of the Cares Act in the amount of \$113,772, consisting of \$112,925 of principal and \$847 of interest.	112,925	–
On November 25, 2019, the Company entered into a credit account agreement (“Margin Account”) with RBC Capital Markets, LLC (“RBC”). The Margin Account enables the Company to borrow against the Company’s AESE shares that are held in an account with RBC. The advances received on margin bear interest at rates of between 1.00% and 2.75% over the Base Lending Rate, depending on the average outstanding debit balance. The Base Lending Rate is internally determined by RBC using Broker Call, Prime Rate as determined by commercial banks utilized by RBC CM, Fed Funds, RBC CM’s cost of funds, and other commercially recognized rates of interest. The margin loans are collateralized by the underlying AESE shares. A total of \$122,100 was borrowed on the Margin Account over various dates between January 29, 2020 and March 6, 2020. The outstanding balance was repaid in full on, or about, March 12, 2020 out of the proceeds of the loan from Cadence Bank, described below.	–	–

On March 12, 2020, the Company entered into a business loan agreement with Cadence Bank, N.A. (“Cadence”), as lender encompassing a \$700,000 Promissory Note issued to Cadence (the “Note”), a Security Agreement by the Company in favor of Cadence and limited commercial guarantees by the Company’s Chief Executive Officer and Interim Chief Financial Officer, who is one in the same, and members of the Company’s Board of Directors (the “Guarantors”) (collectively, the “Cadence Loan”). The Note carried interest at a rate of 0.50 percentage points over the prime rate, as published in the Wall Street Journal, payable monthly, and was due on March 9, 2021. The Note could be repaid at any time without penalty. The Note was secured by all of the Company’s rights, title and interests in and to 500,000 shares of the common stock of Allied Esports Entertainment Inc. (NASDAQ: AESE) currently owned by the Company and held in the Company’s brokerage account with RBC Capital Markets, LLC. On March 26, 2020, the Company subsequently entered into a separate letter agreement with the Guarantors (the “Letter Agreement”), which provides that if the Company defaults or fails to make any payment due under the Cadence Loan and the Guarantors are required to make payment to Cadence pursuant to the Guarantees, then the Company agrees to issue additional equity interests or rights to Guarantors reflecting ninety-five percent (95%) of the outstanding equity of the Company at the time of such default to participating Guarantors who have made the payments to Cadence. All equity issuances will be subject to any third party or shareholder approvals required at the time of issuance. A total of \$417,000 was advanced on the loan and subsequently repaid in full on June 30, 2020.

Total notes payable	262,925	—
Less unamortized derivative discounts:	—	—
Notes payable	262,925	—
Less: current maturities	—	—
Notes payable, less current maturities	<u>\$ 262,925</u>	<u>\$ —</u>

F-20

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

The Company recorded total discounts of \$377,440, consisting of debt discounts on warrants granted to four officers and directors for warrants issued in consideration of personal guarantees provided for debt financing incurred during the year ended December 31, 2020. The discounts were amortized to stock-based compensation expense over the term of the note, until repayment, using the straight-line method, which closely approximated the effective interest method. The Company recorded \$377,440 of stock-based compensation expense pursuant to the amortization of note discounts during the year ended December 31, 2020.

The Company recognized \$384,456 of interest expense, consisting of \$8,724 of interest and \$377,440 of stock-based warrant expense pursuant to the amortization of the debt discount on the business loans during the year ended December 31, 2020.

**Note 13 – Stockholders’ Equity**

Reverse Stock Split

On February 21, 2020, the Company effected a 1-for-300 reverse stock split (the “Reverse Stock Split”). No fractional shares were issued. Instead, the Company issued the following to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split:

- Stockholders owning 300 or more shares of Common Stock received (1) one share of Common Stock for every 300 shares owned and (2) cash in lieu of fractional shares upon the surrender of such stockholder’s shares;
- Stockholders owning between 25 and 300 shares of Common Stock had their ownership of shares of Common Stock rounded up to one share; and
- Stockholders owning fewer than 25 shares of Common Stock received cash in lieu of fractional shares upon the surrender of such stockholders’ shares and no longer own shares of Common Stock.

Any cash payment in lieu of fractional shares were based on the volume weighted average of the closing sales prices of the Company’s Common Stock on the OTCQB operated by OTC Markets Group Inc. (the “OTCQB”) during regular trading hours for the five consecutive trading days immediately preceding the Effective Date, which was \$0.018 per share prior to the effects of the reverse stock split.

The Company was authorized to issue 500,000,000 shares of common stock prior to the Reverse Stock Split, which remains unaffected. The Reverse Stock Split did not have any effect on the stated par value of the common stock, or the Company’s authorized preferred stock. Unless otherwise stated, all share and per share information in this Interim Report has been retroactively adjusted to reflect the Reverse Stock Split.

Preferred Stock

The Company has 20,000,000 authorized shares of \$0.001 par value preferred stock. No shares have been issued to date.

Common Stock

The Company has 500,000,000 authorized shares of \$0.001 par value common stock. As of December 31, 2020, a total of 12,742,890 shares of common stock have been issued.

Common Stock Awarded Pursuant to Business Combination

On October 1, 2020, the Company issued 1,120,000 shares of common stock to S-FDF, LLC, a Texas limited liability company, pursuant to an Asset Purchase Agreement, between the Company and the Seller. The issuance represented 41.18% of the Company’s issued and outstanding common stock at the time. The fair value of the common stock was \$6,720,000 based on the closing price of the Company’s common stock on the date of grant.

The number of Seller Shares to be issued was subject to adjustment, as specified in the amended Asset Purchase Agreement, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company’s holdings of Allied Esports Entertainment Inc. (“AESE”) Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement. This resulted in an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company’s issued and outstanding common stock, on a fully diluted basis. The fair value of the 500,673 shares was \$1,853,600, based on the closing price of the Company’s common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020.

F-21

(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

Common Stock Issued to Officers for Services, Common Stock Payable

On January 4, 2021, the Board amended Claudia and Ira Goldfarb's employment agreements to issue shares of common stock in equal monthly increments of 5,541 and 6,044 shares, respectively, following each month of employment from October 2020 through December 31, 2021. The Company awarded an aggregate 16,623 and 18,133 shares of common stock to Claudia and Ira, respectively, for their services from October through December 31, 2020 as a common stock payable. The aggregate fair value of the shares was \$61,505 and \$67,092 for Claudia and Ira, respectively, based on the closing price of the Company's common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020. The shares were subsequently issued on January 4, 2021.

Common Stock Issued to Directors for Services

On October 1, 2020, the Company issued an aggregate 20,835 shares of common stock amongst its five Directors for annual services to be rendered. The aggregate fair value of the common stock was \$125,010, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

On October 1, 2020, the Company issued an additional 2,500 shares to Mr. Benjamin Oehler, for Audit Committee Chair services. The fair value of the common stock was \$15,000, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

No shares were issued during 2019.

**Note 14 – Options**

The 2020 Equity Plan was approved by written consent of a majority of shareholders of record as of November 12, 2019 and adopted by the Board on December 5, 2019, as provided in the definitive information statement filed with Securities and Exchange Commission on January 10, 2020 (the "DEF 14C"). The description of the 2020 Equity Plan is qualified in its entirety by the text of the 2020 Equity Plan, a copy of which was attached as Annex C to the DEF 14C.

Outstanding Options

Options to purchase an aggregate total of 459,524 shares of common stock at a weighted average strike price of \$8.70, exercisable over a weighted average life of 9.22 years were outstanding as of December 31, 2020.

Options Granted

On December 28, 2020, (a) Mr. Burke was granted options to purchase 20,000 shares of the Company's common stock, (b) Ira Goldfarb was granted options to purchase 16,500 shares of the Company's common stock, and (c) Claudia Goldfarb was granted options to purchase 16,500 shares of the Company's common stock, each grant having an exercise price of \$4.00 per share, which represents the closing price of the Company's shares on the OTCQB marketplace on December 28, 2020 (collectively, the "Executive Option Grants"). The Executive Option Grants will vest 60% as of January 1, 2024 and 20% each anniversary thereafter until fully vested. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 201.05% and a call option value of \$3.9657, was \$210,185. The options are being expensed over the vesting period, resulting in \$ 344 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$209,841 of unamortized expenses are expected to be expensed over the vesting period.

On December 28, 2020, two employees were granted options to purchase an aggregate 6,750 shares of the Company's common stock, each grant having an exercise price of \$4.00 per share, which represents the closing price of the Company's shares on the OTCQB marketplace on December 28, 2020. The option grants will vest 60% as of January 1, 2024 and 20% each anniversary thereafter until fully vested. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 201.05% and a call option value of \$3.9657, was \$26,769. The options are being expensed over the vesting period, resulting in \$44 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$26,725 of unamortized expenses are expected to be expensed over the vesting period.

F-22

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

On October 2, 2020, the Company's Board of Directors granted an aggregate amount of 115,250 stock options pursuant to the 2020 Equity Plan to purchase shares of the Company's common stock to several officers, directors, and employees at an exercise price of \$5.25 per share, which represents the closing price of the Company's shares on the OTCQB marketplace on October 2, 2020. The options are exercisable over a ten-year term, and vest 60% on the 3<sup>rd</sup> anniversary of the grant date and 20% each anniversary thereafter, until fully vested. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 532.91% and a call option value of \$5.2102, was \$600,473. The options are being expensed over the vesting period, resulting in \$27,667 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$572,806 of unamortized expenses are expected to be expensed over the vesting period. The officers and directors receiving grants and the amounts of such grants were as follows:

Name and Title at Time of Grant	Stock Option Shares Granted
Ira Goldfarb, Chairman of the Board and Director	50,000
Claudia Goldfarb, Chief Executive Officer	50,000
Total:	100,000

On October 1, 2020, Mr. Greg Creed was granted options to purchase 24,151 shares of the Company's common stock at an exercise price of \$6.00 per share, which represented the closing price of the Company's shares on the OTCQB marketplace on October 1, 2020. These options will vest 60% as of January 1, 2024 and 20% each anniversary thereafter until fully vested. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 552.14% and a call option value of \$5.9660, was \$144,084. The options are being expensed over the vesting period, resulting in \$6,633 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$137,451 of unamortized expenses are expected to be expensed over the vesting period.

On February 26, 2020, the Company's Board of Directors granted an aggregate amount of 240,000 stock options pursuant to the 2020 Equity Plan to purchase shares of the Company's common stock to several officers, directors, and employees at an exercise price of \$5.41 per share, which represents the closing price of the Company's shares on the OTCQB marketplace on February 20, 2020. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 147.98% and a call option value of \$3.7354, was \$896,506. The options are being expensed over the vesting period, resulting in \$408,964 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$487,541 of unamortized expenses are expected to be expensed over the vesting period. The officers and directors receiving grants and the amounts of such grants were as follows:

Name and Title at Time of Grant	Stock Option
	Shares Granted
Ken DeCubellis, Chief Executive Officer and Interim Chief Financial Officer	60,377
Michael Eisele, Chief Operating Officer	42,264
Bradley Berman, Chairman of the Board and Director	24,151
Joseph Lahti, Director	24,151
Benjamin Oehler, Director	24,151
Lyle Berman, Director	24,151
<b>Total:</b>	<b>199,245</b>

All of the stock options granted under the 2020 Equity Plan presented in the table above will vest in five equal installments, commencing one year from the date of grant on February 26, 2021, and continuing for the next four anniversaries thereof until fully vested.

The Company recognized a total of \$458,048, and \$100,526 of compensation expense during the years ended December 31, 2020 and 2019, respectively, related to common stock options issued to Employees and Directors that are being amortized over the implied service term, or vesting period, of the options. The remaining unamortized balance of these options is \$1,434,364 as of December 31, 2020.

No options were granted during the year ended December 31, 2019.

F-23

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

Options Cancelled or Forfeited

An aggregate 13,164 and 1,284 options with a weighted average strike price of \$107.94 and \$27.18 per share were forfeited by former employees during the years ended December 31, 2020 and 2019, respectively.

Options Expired

An aggregate 666 and 457 options with a weighted average strike price of \$195.00 and \$90.51 per share expired during the years ended December 31, 2020 and 2019, respectively.

Options Exercised

No options were exercised during the years ended December 31, 2020 and 2019.

The following is a summary of information about the Stock Options outstanding at December 31, 2020.

Range of Exercise Prices	Shares Underlying Options Outstanding			Shares Underlying Options Exercisable	
	Shares Underlying Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Options Exercisable	Weighted Average Exercise Price
\$4.00 - \$300.00	459,524	9.22 years	\$8.70	163,769	\$14.78

The following is a summary of activity of outstanding stock options:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2018	35,945	\$ 87.00
Options expired	(457)	(9.51)
Options cancelled	(1,284)	(27.18)
Balance, December 31, 2019	34,204	89.31
Options expired	(666)	(195.00)
Options cancelled	(13,165)	(107.94)
Options granted	439,151	5.21
Balance, December 31, 2020	459,524	\$ 8.70
Exercisable, December 31, 2020	163,769	\$ 14.78

F-24

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

### Outstanding Warrants

Warrants to purchase an aggregate total of 106,300 shares of common stock at a \$3.99 strike price, exercisable over a weighted average life of 9.1 years were outstanding as of December 31, 2020.

### Warrants Granted

In consideration for four officers and director's willingness to serve as guarantors of the Cadence Loan, the Company issued warrants to each of the Guarantors (the "Guarantor Warrants") for the purchase of the Company's common stock on March 12, 2020. The Guarantor Warrants entitle each Guarantor to purchase 26,250 shares of the Company's common stock (the "Warrant Shares") at an exercise price of \$4.00 per share. The Guarantor Warrants expire on March 12, 2030. The officers and directors receiving grants and the amounts of such grants were as follows:

Name and Title at the Time of Grant	Stock Warrant Shares Granted
Ken DeCubellis, Chief Executive Officer and Interim Chief Financial Officer	26,250
Bradley Berman, Chairman of the Board and Director	26,250
Lyle Berman, Director	26,250
Benjamin Oehler, Director	26,250
Total:	105,000

No warrants were granted during the year ended December 31, 2019.

No warrants were exercised, cancelled or expired during the years ended December 31, 2020 and 2019.

The following is a summary of activity of outstanding warrants:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2018	1,300	\$ 3.00
No change	—	—
Balance, December 31, 2019	1,300	3.00
Warrants granted	105,000	4.00
Balance, December 31, 2020	106,300	\$ 3.99
Exercisable, December 31, 2020	106,300	\$ 3.99

F-25

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

### Note 16 – Income Taxes

We account for income taxes under the provisions of ASC Topic 740, *Income taxes*, which provides for an asset and liability approach for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts calculated for income tax purposes.

Our provision for income taxes for the years ended December 31, 2020 and 2019 consisted of the following:

	December 31,	
	2020	2019
Current taxes	\$ —	\$ —
Deferred taxes	—	—
Net income tax provision (benefit)	\$ —	\$ —

The effective income tax rate for the years ended December 31, 2020 and 2019 consisted of the following:

	December 31,	
	2020	2019
Federal statutory income tax rate	21.0%	21.0%
State income taxes	7.7%	7.7%
Permanent differences	0.1%	0.1%
Change in effective state income tax rate	(7.41%)	—
Change in valuation allowance	(13.26%)	(28.8%)
Net effective income tax rate	0.0%	0.0%

The components of the deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows:

	December 31,	
	2020	2019
<b>Deferred tax assets:</b>		
Federal and state net operating loss carryovers	\$ 6,424,323	\$ 7,692,561
Stock compensation	1,932,158	2,327,142
Property and equipment	—	34

Deferred compensation		–	401,371
Reorganization costs		28,135	38,508
Total deferred tax assets	\$	8,384,616	\$ 10,459,616
<b>Deferred tax liabilities:</b>			
Property and equipment	\$	(29,514)	\$ –
Unrealized gain on investment in Allied Esports Entertainment, Inc.		(2,865,274)	(4,449,409)
Total deferred liabilities		(2,894,788)	(4,449,409)
Net deferred tax assets (liabilities)		5,489,828	6,010,207
Less: valuation allowance		(5,489,828)	(6,010,207)
Deferred tax assets (liabilities)	\$	–	\$ –

F-26

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

As of December 31, 2020, the Company has a net operating loss carryover of approximately \$30,592,014. Under existing Federal law, a portion of the net operating loss may be utilized to offset taxable income through the year ended December 31, 2037. A portion of the net operating loss carryover begins to expire in 2030. For tax years beginning after December 31, 2017, pursuant to the enactment of the Tax Cuts and Jobs Act (“TCJA”) net operating losses now carry forward indefinitely but are limited to offsetting 80% of taxable income in a tax year. Of the total net operating loss as of December 31, 2020, approximately \$4,837,882 of the Company’s NOL is subject to the TCJA net operating loss provisions.

ASC Topic 740 provides that a valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. In 2020, BROG decreased its valuation allowance from \$6,010,207 to \$5,489,828 to adjust for the decrease in net deferred tax assets primarily due to an unrealized gain recorded for book purposes related to the investment in Allied Esports Entertainment, Inc. The Company believes it is more likely than not that the benefit of these remaining assets will not be realized. The Company did not place a valuation allowance on deferred tax asset for BRAC related to the capitalized merger and acquisition costs.

The Company filed annual US Federal income tax returns and annual income tax returns for the state of Minnesota through 2020. Going forward, it will file annual state income tax returns for the state of Texas. We are not subject to income tax examinations by tax authorities for years before 2015 for all returns. Income taxing authorities have conducted no formal examinations of our past federal or state income tax returns and supporting records.

The Company adopted the provisions of ASC Topic 740 regarding uncertainty in income taxes. The Company has found no significant uncertain tax positions as of any date on or before December 31, 2020.

**Note 17 – Commitments**

The Company is involved in various inquiries, administrative proceedings and litigation relating to matters arising in the normal course of business. The Company is not currently a defendant in any material litigation and is not aware of any threatened litigation that could have a material effect on the Company. Management is not able to estimate the minimum loss to be incurred, if any, as a result of the final outcome of the matters arising in the normal course of business but believes they are not likely to have a material adverse effect upon the Company’s financial position or results of operations and, accordingly, no provision for loss has been recorded.

The Company periodically maintains cash balances at banks in excess of federally insured amounts. The extent of loss, if any, to be sustained as a result of any future failure of a bank or other financial institution is not subject to estimation at this time.

Upon closing of the Asset Purchase Agreement, the Company assumed the Seller’s obligations under a real property lease for its 20,945 square foot facility in Irving, Texas, under which an entity owned entirely by Ira Goldfarb is the landlord. The lease term is through September 15, 2025, with two five-year options to extend, at a monthly lease term of \$10,036, with approximately a 3% annual escalation of lease payments commencing September 15, 2021.

The future minimum lease payments due under operating leases as of December 31, 2020 is as follows:

Fiscal Year Ending December 31,	Minimum Lease Commitments
2021	\$ 121,638
2022	125,287
2023	129,046
2024	132,917
2025	1,690,905
	\$ 2,199,793
Less effects of discounting	760,055
Lease liability recognized	\$ 1,439,738

F-27

**SOW GOOD, INC.**  
(Formerly Black Ridge Oil & Gas, Inc.)  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 18 – Subsequent Events**

The Company evaluates events that have occurred after the balance sheet date through the date hereof, which these financial statements were issued. No events occurred of a material nature that would have required adjustments to or disclosure in these financial statements except as follows:

#### Issuance of Shares in Completion of Acquisition

In connection with the closing of the Amended Asset Purchase Agreement between the Company and S-FDF, LLC, the Company was obligated to make certain adjustments to the common stock issued to Seller. The adjustment was based primarily on the fair value of AESE shares sold subsequent to the Asset Purchase Agreement. On December 31, 2020, the final number of shares to be issued to S-FDF, LLC was determined to be 500,973 shares and a common stock payable was recognized in the amount of \$1,853,600, the fair value of the common stock based on the closing price of the Company's common stock on the date of grant. On January 4, 2021, the 500,973 shares were issued in settlement of the common stock payable.

#### Common Stock Issued to Officers on Common Stock Payable

On January 7, 2021, the Company issued an aggregate 16,623 and 18,133 shares of common stock to Claudia and Ira Goldfarb respectively, for services from October 2020 through December 31, 2020 in satisfaction of the outstanding common stock payable.

#### Issuance of Shares for Services

On January 27, 2021, upon Benjamin Oehler's resignation, the Company appointed Chris Ludeman as a member of the Board of Directors of the Company, and appointed him to the Company's Audit Committee as Chairperson. Pursuant to his appointment, Mr. Ludeman was issued 6,400 shares of common stock for his services to be rendered. The aggregate fair value of the common stock was \$40,000, based on the closing price of the Company's common stock on the date of grant.

On January 31, 2021, the Company issued 5,541 and 6,044 shares to Claudia and Ira Goldfarb, respectively, for their services for January 2021. The aggregate fair value of the shares was \$29,035 and \$31,671 for Claudia and Ira, respectively, based on the closing price of the Company's common stock on the date of grant.

On February 28, 2021, the Company issued 5,541 and 6,044 shares to Claudia and Ira Goldfarb, respectively, for their services for February 2021. The aggregate fair value of the shares was \$38,787 and \$42,308 for Claudia and Ira, respectively, based on the closing price of the Company's common stock on the date of grant.

#### Common Stock Sold for Cash

On February 5, 2021, the Company entered into a Stock Purchase Agreement with multiple accredited investors to sell and issue to the Purchasers an aggregate 631,250 shares of the Company's common stock at a price of \$4.00 per share for total proceeds of \$2,525,000. A total of 300,000 of these shares, or proceeds of \$1,200,000 were purchased by related parties.

#### Options Granted

On January 4, 2021, Claudia and Ira Goldfarb were each granted options to purchase 75,000 shares of the Company's common stock, having an exercise price of \$3.70 per share, exercisable over a ten-year term. The options will vest in three equal installments beginning of January 4, 2022 and continuing on each of the two anniversaries thereafter until fully vested.

On January 27, 2021, Chris Ludeman was granted options to purchase 24,151 shares of the Company's common stock, having an exercise price of \$6.25 per share, exercisable over a ten-year term. The options will vest in five equal annual installments.

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

None.

## **ITEM 9A. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

We maintain a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed by us in the reports we file or furnish to the SEC under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

As of December 31, 2020, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a-15(e). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Chief Financial Officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our Chief Executive Officer and Chief Financial Officer have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

### **Management's Annual Report on Internal Control over Financial Reporting.**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. All internal control systems, no matter how well designed, have inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our internal controls over financial reporting as of December 31, 2020. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in “Internal Control — Integrated Framework (2013).” Based on this assessment, management believes that, as of December 31, 2020, our internal control over financial reporting was effective based on those criteria.

#### *Changes in Internal Control over Financial Reporting*

There have been no changes in the Company’s internal control over financial reporting through the date of this report or during the quarter ended December 31, 2020, that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

#### *Independent Registered Accountant’s Internal Control Attestation*

This annual report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to applicable law.

#### **ITEM 9B. OTHER INFORMATION**

None.

### **PART III**

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE**

The following table lists our executive officers and directors as of March 15, 2021:

Name	Age	Position
Claudia Goldfarb	45	Chief Executive Officer, Director
Brad Burke <sup>(1)</sup>	38	Chief Financial Officer
Ira Goldfarb	63	Chairman of the Board of Directors
Bradley Berman <sup>(1)</sup>	50	Director
Joseph Lahti <sup>(1)</sup>	60	Director
Lyle Berman <sup>(1)</sup>	79	Director
Greg Creed <sup>(1)</sup>	63	Director
Chris Ludeman <sup>(1)</sup>	62	Director

<sup>(1)</sup>Member of audit committee.

**Claudia Goldfarb** has been our chief executive officer since October 1, 2020. Mrs. Goldfarb is the co-founder of the freeze-dried foods business which the Company recently acquired. Mrs. Goldfarb previously served as Prairie Dog Pet Products, LLC’s President from 2016 to 2020 and Chief Operating Officer from 2012 to 2016. During Mrs. Goldfarb’s tenure at Prairie Dog Pet Products she was responsible for managing four food manufacturing facilities with over 300 employees and 200,000 sq. feet of manufacturing space. Mrs. Goldfarb’s expertise in product research and development is underscored by her successful launch of over 200 unique products. She has also served as Chief Operating Officer of the pet apparel company, PGT Holdings, from 2010-2012. Mrs. Goldfarb co-founded and served as the Chief Executive Officer of Operation Ava, Inc. Previously, Mrs. Goldfarb served as a Project Development Consultant for the North American Development Bank, specializing in infrastructure development and financing on the US-Mexican Border. Mrs. Goldfarb has spent the last 10 years specializing in product development, implementing best-in-class quality food systems, and freeze-dried pet food manufacturing.

Mr. Ira Goldfarb, who is our Chairman of the Board of Directors, is Mrs. Claudia Goldfarb’s husband.

Mrs. Goldfarb’s qualifications:

- Leadership experience – Mrs. Goldfarb is the CEO of Sow Good, Inc. She was previously the President of Prairie Dog Pet Products and, prior to that role, the company’s Chief Operating Officer.
- Finance experience – Mrs. Goldfarb served as a Project Development Consultant for the North American Development Bank, specializing in infrastructure development and financing on the US-Mexican border.
- Industry experience – Mrs. Goldfarb was responsible for managing four food manufacturing facilities for Prairie Dog Pet Products, which over 300 employees and 200,000 sq. feet of manufacturing space. Over her career, Mrs. Goldfarb has launched over 200 unique products, underscoring her expertise in product research and development.

**Brad Burke** has been our chief financial officer since December 28, 2020, and served as our interim chief financial officer from October 5, 2020 through December 28, 2020. Mr. Burke was most recently the Senior Vice President of Corporate Finance and Investor Relations at CBRE Group Inc., reporting to CBRE’s Chief Financial Officer. In that role, he led CBRE’s investor relations strategy, acting as the interface between the company and CBRE’s shareholders. He also led CBRE’s forecasting, budgeting and financial analysis activities. Mr. Burke joined CBRE in 2017 as the Vice President of Investor Relations, having previously worked at Goldman Sachs as an equity research analyst where he led the research coverage of 17 real estate companies. Prior to joining Goldman Sachs & Co. in 2013, Mr. Burke was an equity research analyst at UBS Securities, covering the Industrials and Energy sectors. He began his financial services career in the audit practice group of Ernst & Young in 2003. Mr. Burke earned an MBA from Carnegie Mellon University in 2009, an MS in Accountancy from the University of Notre Dame in 2004 and a BS in Marketing from The Pennsylvania State University in 2003. He is a Certified Public Accountant (license inactive) and a CFA Charterholder.

**Ira Goldfarb** has been our chairman since October 1, 2020. Mr. Goldfarb is the co-founder of the freeze-dried foods business which the Company recently acquired. Mr. Goldfarb previously founded Prairie Dog Pet Products, LLC in 2012 and served as its Chief Executive Officer until 2020 when he sold the company to Kinderhook Industries. Prairie Dog Pet Products is a leading freeze-dried pet food and treat manufacturing company based in Grand Prairie, Texas. Previously, Mr. Goldfarb was Chief Executive Officer of PGT Holdings from 2010-2012 and founder and Chief Executive Officer of DS Retail Holdings, LLC from 2006 until 2013. In 2009 Mr. Goldfarb co-founded and funded Operation Ava Inc., the second largest dog and cat rescue group in Pennsylvania. Operation Ava saved over 2,000 animals each year from euthanasia. Mr. Goldfarb has extensive experience in both the retail and manufacturing industries spanning over 30 years; he first specialized in the leather fashion industry then in the pet food industry with a focus on dehydrated and freeze-dried products. He has also founded, developed, and sold numerous companies to public and private groups. Mr. Goldfarb is the husband of Claudia Goldfarb.

Mrs. Claudia Goldfarb, who is our Chief Executive Officer, is Mr. Ira Goldfarb's wife.

Mr. Goldfarb's qualifications:

- Leadership experience – Mr. Goldfarb is the Executive Chairman of Sow Good, Inc. He previously founded Prairie Dog Pet Products in 2012 and served as the company's CEO until 2020.
- Industry experience – Prairie Dog Pet Products is a leading freeze-dried pet food and treat manufacturing company. Mr. Goldfarb has extensive experience in both the retail and manufacturing industries over his greater than 30-year career. He first specialized in the leather fashion industry before focusing on the pet food industry with an emphasis on dehydrated and freeze-dried products

**Bradley Berman** has been a director of Black Ridge since our inception and was our chairman from November 12, 2010 until October 1, 2020. He was our chief executive officer from November 12, 2010 to November 9, 2011, our chief financial officer between November 12, 2010 and November 15, 2010, and our corporate secretary from November 12, 2010 to February 22, 2011. Mr. Berman has been a director of Allied Esports Entertainment Inc. (AESE) (fka Black Ridge Acquisition Corp.) since May 2017. Mr. Berman is the president of King Show Games, Inc., a company he founded in 1998. Mr. Berman has worked in various capacities in casino gaming from 1992 to 2004 for Grand Casinos, Inc. and then Lakes Entertainment, Inc., achieving the position of Vice President of Gaming, after which he assumed a lesser role in that company. Mr. Berman was a director of Voyager Oil and Gas, Inc. (formerly Ante4 and WPT) from August 2004 to November 2010.

Mr. Lyle Berman, who is one of our directors, is Mr. Brad Berman's father.

Mr. Berman's qualifications:

- Leadership experience – Mr. Berman was our chairman from November 12, 2010 until October 1, 2020 and was our chief executive officer from November 12, 2010 to November 9, 2011 and he is the founder and president of King Show Games, Inc.
- Finance experience – Mr. Berman is the founder and president of King Show Games, Inc.
- Education experience - Mr. Berman attended Mankato State University in Minnesota and University of Nevada at Las Vegas in Nevada concentrating in business and computer science.

**Joseph Lahti** has been a director of the Company since August 31, 2012. Mr. Lahti is a Minneapolis native and leader in numerous Minnesota business and community organizations. As principal of JL Holdings since 1989, Mr. Lahti has provided funding and management leadership to several early-stage or distressed companies. From 1993 to 2002, he held the positions of chief operating officer, president, chief executive officer and chairman at Shuffle Master, Inc., a company that provided innovative products to the gaming industry. Mr. Lahti served as Chairman of the Board of PokerTek, Inc., a publicly traded company sold in October 2014, and he also served as an independent director and Chairman of AFAM Capital until October of 2018 and then as Chairman of the Board of Innealta, an investment manager. Within the past five years Mr. Lahti served on the board of directors of Voyager Oil & Gas, Inc., and more than five years ago Mr. Lahti served as the Chairman of the Board of directors of Shuffle Master, Inc. and served on the board of directors of Zomax, Inc. Through his public company Board experience, he has participated on, and chaired, both Audit and Compensation Committees. Mr. Lahti has been a director of Allied Esports Entertainment Inc. (AESE) (fka Black Ridge Acquisition Corp.) since May 2017.

Mr. Lahti's qualifications:

- Leadership experience – Mr. Lahti is a principal of JL Holdings (1989 to present). Mr. Lahti served as Chairman of AFAM Capital. He served as Chairman of the Board of PokerTek, Inc., a publicly traded company. He served as chief executive officer and chairman of Shuffle Master, Inc., a publicly traded company (1997-2002).
- Education experience – Mr. Lahti holds Bachelor of Arts degree in economics from Harvard University.

**Lyle Berman** has been a director of the Company since October 26, 2016. Mr. Berman began his career with Berman Buckskin, his family's leather business. He helped grow the business into a major specialty retailer with 27 outlets. After selling Berman Buckskin to WJL Grace in 1979, Mr. Berman continued as President and Chief Executive Officer and led the company to become one the county's largest retail leather chains, with over 200 stores nationwide. In 1990, Mr. Berman participated in the founding of Grand Casinos, Inc. Mr. Berman is credited as one of the early visionaries in the development of casinos outside of the traditional gaming markets of Las Vegas and Atlantic City. In less than five years, the company opened eight casino resorts in four states. In 1994, Mr. Berman financed the initial development of Rainforest Cafe. He served as the Chairman and CEO from 1994 until 2000. In October 1995, Mr. Berman was honored with the B'nai B'rith "Great American Traditions Award." In April 1996, he received the Gaming Executive of the Year Award; in 2004, Mr. Berman was inducted into the Poker Hall of Fame; and in 2009, he received the Casino Lifetime Achievement Award from Raving Consulting & Casino Journal. In 1998, Lakes Entertainment, Inc. was formed.

In 2002, as Chairman of the Board and CEO of Lakes Entertainment, Inc., Mr. Berman was instrumental in creating the World Poker Tour. Mr. Berman served as the Executive Chairman of the Board of WPT Enterprises, Inc. (later known as Voyager Oil & Gas, Inc. and Emerald Oil, Inc.) from its inception in February 2002 until July 2013. Mr. Berman also served as a director of PokerTek, Inc. from January 2005 until October 2014, including serving as Chairman of the Board from January 2005 until October 2011. Mr. Berman has been a director of Allied Esports Entertainment Inc. (AESE) (fka Black Ridge Acquisition Corp.) since May 2017.

Mr. Bradley Berman, who is the chairman of our Board of Directors, is Mr. Lyle Berman's son.

Mr. Berman's qualifications:

- Leadership experience – Mr. Berman served as Chairman of the Board and CEO of Lakes Entertainment, Inc. (1999-2015). He served as the Chairman of the Board of Directors of Grand Casinos, Inc. (the predecessor to Lakes) (1991-1998). He served as the Executive Chairman of the Board of WPT Enterprises, Inc. (later known as Voyager Oil & Gas, Inc. and Emerald Oil, Inc.) (2002-2013). He served as Chairman of the Board of PokerTek, Inc. (2005-2011). He served as Chairman of the Board and Chief Executive Officer of Rainforest Café, Inc. (1994-2000). Mr. Berman currently serves on the Board of Directors of Golden Entertainment, Inc., Redstone American Grill, Inc., Allied Esports Entertainment Inc., Augeo Affinity Marketing, Inc., Poker52, LLC, LubeZone, Inc., and Mill City Ventures, Ltd.
- Education experience – Mr. Berman holds a degree in Business Administration from the University of Minnesota.

**Greg Creed** was appointed as a director of the Company on October 1, 2020. Mr. Creed was Chief Executive Officer of Yum! Brands from January 2015 to December 2019 and served as a Director of the Board from November 2014 to May 2020. Mr. Creed retired after a successful 25-year career with the Company. He has more than 40 years of extensive global experience in marketing and operations with leading packaged goods and restaurant brands.

Previously, Mr. Creed was head of Taco Bell, the nation's leading Mexican-style quick service restaurant chain. He was appointed Chief Executive Officer of Taco Bell in early 2011 after serving as President and Chief Concept Officer and was responsible for driving overall brand strategy and performance of the business in the U.S. and internationally. He has held various roles with the Company including Chief Marketing Officer at Taco Bell where he spearheaded the "Think Outside the Bun" campaign and new product introductions that generated strong sales and profit growth for five consecutive years, as well as Chief Operating Officer for Yum!.

Mr. Creed earned a business degree from Queensland University of Technology (QUT) in Brisbane, Australia, was named the 2014 QUT Alumnus of the Year, was awarded an honorary doctorate in 2019 and currently serves as President of The Friends of QUT in America Foundation. He serves on the Board of Directors for Whirlpool Corporation where he chairs the Human Resources Committee, Aramark Corporation, NetBase Quid and Girls Inc. He is also a member of the American Society of Corporate Executives (ASCE).

Mr. Creed's qualifications:

- Leadership experience – Mr. Creed was Chief Executive Officer of Yum! Brands from January 2015 to December 2019 and served as a Director of the Board from November 2014 to May 2020. Previously, Mr. Creed was head of Taco Bell, the nation's leading Mexican-style quick service restaurant chain. He was appointed Chief Executive Officer of Taco Bell in early 2011 after serving as President and Chief Concept Officer.
- Education experience - Mr. Creed earned a business degree from Queensland University of Technology (QUT) in Brisbane, Australia.

**Chris Ludeman** has been our director and has served as Chairperson of the Audit Committee since January 27, 2021. Chris Ludeman is Global President of Capital Markets for CBRE, the world's leading commercial real estate services firm and one of the largest U.S.-based public companies. Mr. Ludeman drives the company's advisory business for investors, including responsibility for equity sales, debt and structured finance and real estate investment banking, both globally and in the Americas. He serves as a member of the Global Operating Committee and the Americas Operations Management Board.

During his more than three decades in the real estate services industry and with CBRE, Mr. Ludeman has served in several key management roles, including serving as the president of various businesses including Brokerage, Transaction Management and Global Corporate Services. In these roles, Mr. Ludeman was responsible for all transaction units in the Americas as well as corporate outsourcing functions such as facilities management, project management, lease administration, transaction management and research and consulting. Prior to his national and international roles Mr. Ludeman served in several regional and local market leadership positions across the United States.

Mr. Ludeman's qualifications:

- Leadership experience – Mr. Ludeman is Global President of Capital Markets for CBRE, with responsibility for equity sales, debt and structured finance and real estate investment banking, both globally and in the Americas.
- Industry experience – During his more than three decades in the real estate services industry and with CBRE, Mr. Ludeman has served in several key management roles, including serving as the president of various businesses including Brokerage, Transaction Management and Global Corporate Services.
- Education experience – Mr. Ludeman earned a Bachelor of Arts degree from the University of California, Santa Barbara.

No director is required to make any specific amount or percentage of his business time available to us. Each of our officers intends to devote such amount of his or her time to our affairs as is required or deemed appropriate.

## CORPORATE GOVERNANCE

### *Director Selection Process*

The Company does not have a standing nominating committee, but rather the Board of Directors as a whole considers director nominees. The Board of Directors has determined this is appropriate given the size of the Board of Directors and the Company's current size. The Board will consider candidates suggested by its members, other directors, senior management and stockholders in anticipation of upcoming elections and actual or expected board vacancies. The Board of Directors has not adopted a formal diversity policy or established specific minimum criteria or qualifications because from time to time the needs of the Board and the Company may change. All candidates, including those recommended by stockholders, are evaluated on the same basis in light of the entirety of their credentials and the needs of the Board of Directors and the Company. Of particular importance is the candidate's wisdom, integrity, ability to make independent analytical inquiries, understanding of the business environment in which the Company operates, as well as his or her potential contribution to the diversity of the Board of Directors and his or her willingness to devote adequate time to fulfill his or her duties as a director. The Board of Directors will consider director candidates recommended by the Company's stockholders. Stockholders may recommend director candidates by contacting the Chairman of the Board as provided under the heading "Communications with the Board of Directors." The Company did not employ a search firm or pay fees to other third parties in connection with seeking or evaluating board nominee candidates.

### *Board and Committee Meetings*

During the year ended December 31, 2020, the Board of Directors held eight meetings, the Audit Committee held five meetings. The Company does not have a separate Compensation Committee. Each of our elected Directors attended at least 75% of all meetings of the Board of Directors and the committees on which he served during the year.

### *Annual Meeting Attendance*

The Company did not hold an annual meeting of stockholders in 2020. If the Company holds an annual meeting of stockholders in the future, the Board of Directors will encourage Directors to attend such annual meeting.

### *Board Leadership Structure*

Our Board of Directors has no formal policy with respect to separation of the positions of Chairman and Chief Executive Officer or with respect to whether the Chairman should be a member of management or an independent director, and believes that these are matters that should be discussed and determined by the Board from time to time based on the position and direction of the Company and the membership of the Board. The Board has determined that having Ira Goldfarb serve as Chairman and Claudia Goldfarb as the CEO is in the best interest of the Company's stockholders at this time.

### *Risk Management*

Our Board of Directors believes that risk management is an important component of the Company's corporate strategy. The Board, as a whole, oversees our risk management process, and discusses and reviews with management major policies with respect to risk assessment and risk management. The Board is regularly informed through its interactions with management and committee reports about risks we currently face, as well as the most likely areas of future risk, in the course of our business including economic, financial, operational, legal and regulatory risks.

### *Communications with the Board of Directors*

Stockholders and other interested persons seeking to communicate directly with the Board of Directors, the independent directors as a group or the Audit Committee of the Board of Directors, should submit their written comments c/o Corporate Secretary at our principal executive offices at 1440 N Union Bower Rd, Irving, TX 75061 and should indicate in the address whether the communication is intended for the Chairman of the Board, the Independent Directors or a Committee Chair. The Chairman of the Board will review any such communication at the next regularly scheduled Board of Directors meeting unless, in his or her judgment, earlier communication to the Board of Directors is warranted.

At the direction of the Board of Directors, we reserve the right to screen all materials sent to its directors for potential security risks, harassment purposes or routine solicitations.

### *Code of Ethics*

Our Board of Directors has adopted a Code of Ethics which applies to our directors, Chief Executive Officer, Chief Financial Officer and other Company employees who perform similar functions.

## **ITEM 11. EXECUTIVE COMPENSATION**

### **Compensation Overview**

We currently qualify as a "smaller reporting company" as such term is defined in Rule 405 of the Securities Act and Item 10 of Regulation S-K. Accordingly, and in accordance with relevant SEC rules and guidance, we have elected, with respect to the disclosures required by Item 402 (Executive Compensation) of Regulation S-K, to comply with the disclosure requirements applicable to smaller reporting companies. The following Compensation Overview is not comparable to the "Compensation Discussion and Analysis" that is required of SEC reporting companies that are not smaller reporting companies.

The following Compensation Overview describes the material elements of compensation for our executive officers identified in the Summary Compensation Table ("Named Executive Officers"), and executive officers that we may hire in the future. As more fully described below, our board of directors reviews and recommends policies, practices, and procedures relating to the total direct compensation of our executive officers, including the Named Executive Officers, and the establishment and administration of certain of our employee benefit plans to our board of directors.

### **Compensation Program Objectives and Rewards**

Our compensation philosophy is based on the premise of attracting, retaining, and motivating exceptional leaders, setting high goals, working toward the common objectives of meeting the expectations of customers and stockholders, and rewarding outstanding performance. Following this philosophy, we consider all relevant factors in determining executive compensation, including the competition for talent, our desire to link pay with performance, the use of equity to align executive interests with those of our stockholders, individual contributions, teamwork, and each executive's total compensation package. We strive to accomplish these objectives by compensating all executives with compensation packages consisting of a combination of competitive base salary and incentive compensation.

The compensation received by our Named Executive Officers is based primarily on the levels at which we can afford to retain them and their responsibilities and individual contributions. Our compensation policy also reflects our strategy of minimizing general and administration expenses and utilizing independent professional consultants. Our board of directors apply the compensation philosophy and policies described below to determine the compensation of Named Executive Officers.

The primary purpose of the compensation and benefits we consider is to attract, retain, and motivate highly talented individuals who will engage in the behavior necessary to enable us to succeed in our mission, while upholding our values in a highly competitive marketplace. Different elements are designed to engender different behaviors, and the actual incentive amounts which may be awarded to each Named Executive Officer are subject to the annual review of our board of directors who will make recommendations regarding compensation to our board of directors. The following is a brief description of the key elements of our planned executive compensation structure.

- Base salary and benefits are designed to attract and retain employees over time.
- Incentive compensation awards are designed to focus employees on the business objectives for a particular year.
- Equity incentive awards, such as stock options and non-vested stock, focus executives' efforts on the behaviors within the recipients' control that they believe are designed to ensure our long-term success as reflected in increases to our stock prices over a period of several years, growth in our profitability and other elements.
- Severance and change in control plans are designed to facilitate a company's ability to attract and retain executives as we compete for talented employees in a marketplace where such protections are commonly offered.

### **Benchmarking**

We have not yet adopted benchmarking but may do so in the future. When making compensation decisions, our board of directors may compare each element of compensation paid to our Named Executive Officers against a report showing comparable compensation metrics from a group that includes both publicly-traded and privately-held companies. Our board believes that while such peer group benchmarks are a point of reference for measurement, they are not necessarily a determining factor in setting

executive compensation. Each executive officer's compensation relative to the benchmark varies based on the scope of responsibility and time in the position. We have not yet formally established our peer group for this purpose.

## The Elements of The Company's Compensation Program

### Base Salary

Executive officer base salaries are based on job responsibilities and individual contribution. Our board of directors review the base salaries of our executive officers, including our Named Executive Officers, considering factors such as corporate progress toward achieving objectives (without reference to any specific performance-related targets) and individual performance experience and expertise. Claudia Goldfarb, Ira Goldfarb and Brad Burke are our only Named Executive Officers that have an employment agreement with us.

26

- We entered into an employment agreement with Claudia Goldfarb on October 1, 2020, which was amended on January 4, 2021, under which she serves as our Chief Executive Officer. Pursuant to the employment agreement, we pay Mrs. Goldfarb (a) for the period beginning on October 1, 2020 and ending December 31, 2021, the issuance of 5,541 shares of the Company's common stock per month, and (b) beginning on January 1, 2022, a base salary payable in monthly increments in an amount equal to the base salary of \$292,500 per year through at least October 1, 2025, subject to annual 10% increases.
- We entered into an employment agreement with Ira Goldfarb on October 1, 2020, which was amended on January 4, 2021, under which he serves as our Executive Chairman of the Board. Pursuant to the employment agreement, we pay Mr. Goldfarb (a) for the period beginning on the Closing Date and ending December 31, 2021, the issuance of 6,044 shares of the Company's common stock per month, and (b) beginning on January 1, 2022, a base salary payable in monthly increments in an amount equal to the base salary of \$330,000 per year through at least October 1, 2025, subject to annual 10% increases.
- We entered into an employment agreement with Brad Burke on December 28, 2020, under which she serves as our Chief Financial Officer. Pursuant to the employment agreement, we pay Mr. Burke an annual base salary of \$275,000, commencing January 1, 2021 through at least December 31, 2023. From October 5, 2020 through December 31, 2020, we paid Mr. Burke at the rate of \$22,917 per month.

Additional factors reviewed by our board of directors in determining appropriate base salary levels and raises include subjective factors related to corporate and individual performance. For the year ended December 31, 2020, all executive officer base salary decisions were approved by the board of directors.

We do not make matching contributions to the 401(k) Plan.

### Incentive Compensation Awards

Other than the Management Incentive Plan Awards described below, no bonuses were granted in 2020 or 2019.

If our revenue grows and bonuses become affordable and justifiable, we expect to use the following parameters in justifying and quantifying bonuses for our Named Executive Officers and other officers of the Company: (1) the growth in our revenue, (2) the growth in our earnings before interest, taxes, depreciation and amortization, as adjusted ("EBITDA"), and (3) our stock price. The board has not adopted specific performance goals and target bonus amounts, but may do so in the future.

### Equity Incentive Awards

Effective June 10, 2010, as amended on February 22, 2011 and March 2, 2012, our board of directors adopted the Amended and Restated 2012 Stock Incentive Plan (the 2012 Plan) under which a total of 25,000 shares of our common stock (as adjusted for the reverse stock split) have been reserved for issuance as restricted stock or pursuant to the grant and exercise of stock options. The 2012 Plan has been approved by the holders of a majority of our outstanding shares.

Effective December 12, 2016, our board of directors adopted the 2016 Non-Qualified Stock Option Plan (the 2016 Plan) under which a total of 12,712 shares of our common stock (as adjusted for the reverse stock split) have been reserved for issuance pursuant to the grant and exercise of non-qualified stock options.

On March 1, 2018, the Board of Directors (the "Board") of the Company approved and adopted the Black Ridge Oil & Gas, Inc. 2018 Management Incentive Plan (the "Plan") and the form of 2018 Management Incentive Plan Award Agreement (the "Award Agreement").

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

27

We believe equity incentive awards motivate our employees to work to improve our business and stock price performance, thereby further linking the interests of our senior management and our stockholders. The board considers several factors in determining whether awards are granted to an executive officer, including those previously described, as well as the executive's position, his or her performance and responsibilities, and the number of options or other awards, if any, currently held by the officer and their vesting schedule. Our policy prohibits backdating options or granting them retroactively.

Effective December 5, 2019, as amended on October 1, 2020, January 4, 2021 and again on March 19, 2021, our board of directors adopted the 2020 Stock Incentive Plan (the "2020 Plan") under which a total of 814,150 shares of our common stock have been reserved for issuance pursuant to the grant and exercise of stock options. The amendments remain subject to shareholder approval, to be provided, if at all, by October 1, 2021.

## Benefits and Prerequisites

At this stage of our business, we have benefits that are generally comparable to those offered by other small private and public companies and no prerequisites for our employees. Other than a 401(k) Plan, we do not have any other retirement plan for our Named Executive Officers. We may adopt these plans and confer other fringe benefits for our executive officers in the future.

## Separation Arrangements

Effective September 30, 2020, the Company entered into an Amended and Restated Employment Agreement with Ken DeCubellis (the "A&R DeCubellis Employment Agreement"), pursuant to which Mr. DeCubellis stepped down from his roles as the Company's Chief Executive Officer and interim Chief Financial Officer. Under the A&R DeCubellis Employment Agreement, Mr. DeCubellis served as a transition resource employee and assist with the integration of the Seller's freeze-dried fruit business into the Company's existing operations through December 15, 2020. In exchange for Mr. DeCubellis' continued service to the Company, the Company agreed to pay Mr. DeCubellis an annual base salary rate of \$300,000 ("Base Salary").

Following his termination and receipt of release, Mr. DeCubellis is entitled to ongoing payments at the Base Salary rate from December 15, 2020 through September 30, 2021. The payments may be made in a combination of cash and AESE Stock, at the Company's election. In addition, certain stock options granted by the Company that would otherwise have been forfeited upon separation from employment have fully vest.

The foregoing summary of the A&R DeCubellis Employment Agreement is qualified in its entirety by reference to the full text of the agreement, a copy of which will be filed as an exhibit to the Company's Form 10-Q for the period in which the agreement was entered into.

### Departure of Chief Operating Officer, Michael Eisele

Effective September 30, 2020, and as a condition to closing of the Asset Purchase Agreement, the Company terminated the employment of its Chief Operating Officer, Michael Eisele. In connection with the termination, the Company and Mr. Eisele entered into a Separation Agreement and Release (the "Eisele Separation Agreement") under which Mr. Eisele agreed to a customary release in exchange for severance compensation as follows:

- the continuation of Mr. Eisele's annual base salary for the twelve (12) month period following the effective date, payable bi-weekly through September 30, 2021; and
- immediate and full vesting of all outstanding unvested incentive and non-qualified stock options awarded from the date of grant through the date of separation.

The Separation Agreement contains a release and certain restrictive covenants that are binding upon Mr. Eisele.

## Executive Officer Compensation

The following table sets forth the total compensation paid in all forms to our named executive officers of the Company during the periods indicated:

Summary Compensation Table								
Name and Principal Position	Year	Salary	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation <sup>(6)</sup>	Total
Ira Goldfarb, <sup>(1)</sup> Executive Chairman	2020	\$ —	\$ 67,092	\$ 325,944	\$ —	\$ —	\$ —	\$ 393,036
Claudia Goldfarb, <sup>(2)</sup> Chief Executive Officer	2020	\$ —	\$ 61,505	\$ 325,944	\$ —	\$ —	\$ —	\$ 387,449
Brad Burke, <sup>(3)</sup> Chief Financial Officer	2020	\$ 69,708	\$ —	\$ 79,455	\$ —	\$ —	\$ —	\$ 149,163
Kenneth T. DeCubellis, <sup>(4)</sup> Former Chief Executive Officer	2020	\$ 300,000	\$ —	\$ 225,534	\$ —	\$ —	\$ 216,892	\$ 742,426
	2019	\$ 275,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 275,000
Michael Eisele, <sup>(5)</sup> Former Chief Operating Officer	2020	\$ 322,197	\$ —	\$ 157,874	\$ —	\$ —	\$ 151,824	\$ 631,895
	2019	\$ 187,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 187,000

<sup>(1)</sup>Mr. Goldfarb was appointed Executive Chairman of the Board of Directors on October 1, 2020. We have agreed to compensate Mr. Goldfarb a total of \$330,000 in cash per year commencing on January 1, 2022, and 6,044 shares per month through December 31, 2021. On January 4, 2021, we issued 18,133 shares for Mr. Goldfarb's services in 2020. On October 2, 2020, we granted Mr. Goldfarb an option to purchase 50,000 shares of common stock at an exercise price of \$5.25 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 533% and a call option value of \$5.2102, was \$260,509. On December 28, 2020, we granted Mr. Goldfarb an option to purchase 16,500 shares of common stock at an exercise price of \$4.00 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 201% and a call option value of \$3.9657, was \$65,435.

<sup>(2)</sup>Mrs. Goldfarb was appointed Chief Executive Officer on October 1, 2020. We have agreed to compensate Mrs. Goldfarb a total of \$292,500 in cash per year commencing on January 1, 2022, and 5,541 shares per month through December 31, 2021. On January 4, 2021, we issued 16,623 shares for Mrs. Goldfarb's services in 2020. On October 2, 2020, we granted Mrs. Goldfarb an option to purchase 50,000 shares of common stock at an exercise price of \$5.25 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 533% and a call option value of \$5.2102, was \$260,509. On December 28, 2020, we granted Mrs. Goldfarb an option to purchase 16,500 shares of common stock at an exercise price of \$4.00 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 201% and a call option value of \$3.9657, was \$65,435.

<sup>(3)</sup>Mr. Burke was appointed Chief Financial Officer on December 28, 2020, after serving as Interim Chief Financial Officer on an independent contractor basis from October 1, 2020. We have agreed to compensate Mr. Burke a total of \$275,000 in cash per year. Prior to December 28, 2020, Mr. Burke was paid \$22,917 per month as an independent contractor. On December 28, 2020, we granted Mr. Burke an option to purchase 20,000 shares of common stock at an exercise price of \$4.00 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 201% and a call option value of \$3.9657, was \$79,455.

<sup>(4)</sup>On February 26, 2020, we granted Mr. DeCubellis an option to purchase 60,377 shares of common stock at an exercise price of \$5.41 per share. The aggregate estimated

value using the Black-Scholes Pricing Model, based on a volatility rate of 147.98% and a call option value of \$3.7354, was \$225,534. Mr. DeCubellis resigned as our Chief Executive Officer on September 30, 2020.

<sup>(5)</sup>On February 26, 2020, we granted Mr. Eisele an option to purchase 42,264 shares of common stock at an exercise price of \$5.41 per share. The aggregate estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 147.98% and a call option value of \$3.7354, was \$157,874. Mr. Eisele resigned on September 30, 2020. Mr. Eisele's salary includes \$135,197 of accrued severance to be paid in 2021.

<sup>(6)</sup>All Other Compensation consists of the fair value of 107,420 and 75,194 shares of Allied Esports Entertainment Inc. ("AESE") that were distributed to Mr. DeCubellis and Mr. Eisele, respectively, on August 9, 2020, pursuant to the Management Incentive Plan that was established in 2019.

### Employment Agreements

Other than as described above, we have not entered into any employment agreements with our executive officers to date. We may enter into employment agreements with them in the future.

### Outstanding Equity Awards

The following table sets forth information with respect to unexercised stock options, stock that has not vested, and equity incentive plan awards held by our executive officers at December 31, 2020.

#### Outstanding Option Awards at Fiscal Year-End

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date
Ira Goldfarb, Executive Chairman	-0-	50,000 <sup>(1)</sup>	\$ 5.25	October 1, 2030
	-0-	16,500 <sup>(2)</sup>	\$ 4.00	December 27, 2030
Claudia Goldfarb, Chief Executive Officer	-0-	50,000 <sup>(1)</sup>	\$ 5.25	October 1, 2030
	-0-	16,500 <sup>(2)</sup>	\$ 4.00	December 27, 2030
Brad Burke, Chief Financial Officer	-0-	20,000 <sup>(2)</sup>	\$ 4.00	December 27, 2030

<sup>(1)</sup>Options granted on October 2, 2020, vests 60% on third anniversary, 20% on fourth, and 20% on fifth anniversary.

<sup>(2)</sup>Options granted on December 28, 2020, vests 60% on third anniversary, 20% on fourth, and 20% on fifth anniversary.

### Option Exercises and Stock Vested

None of our executive officers exercised any stock options or acquired stock through vesting of an equity award during the year ended December 31, 2020.

### Director Compensation

The following table summarizes the compensation paid or accrued by us to our directors that are not Named Executive Officers for the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash	Stock Award	Option Awards	Non-Equity Incentive Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All other Compensation	Total
Bradley Berman <sup>(1)</sup>	\$ -	\$ 25,002	\$ 90,215	\$ -	\$ -	\$ -	\$ 115,217
Benjamin S. Oehler <sup>(2)</sup>	\$ -	\$ 40,002	\$ 90,215	\$ -	\$ -	\$ -	\$ 130,217
Joseph Lahti <sup>(3)</sup>	\$ -	\$ 25,002	\$ 90,215	\$ -	\$ -	\$ -	\$ 115,217
Lyle Berman <sup>(4)</sup>	\$ -	\$ 25,002	\$ 90,215	\$ -	\$ -	\$ -	\$ 115,217
Greg Creed <sup>(5)</sup>	\$ -	\$ 25,002	\$ 144,084	\$ -	\$ -	\$ -	\$ 169,086

<sup>(1)</sup> On October 1, 2020, we issued Mr. Bradley Berman 4,167 shares of common stock for annual director services. The fair value of the common stock was \$25,002 based on the closing price of the Company's common stock on the date of grant. On February 26, 2020, we granted Mr. Bradley Berman an option to purchase 24,151 shares of common stock at an exercise price of \$5.41 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 148% and a call option value of \$3.7354, was \$90,215.

<sup>(2)</sup> On October 1, 2020, we issued Mr. Oehler a total of 6,667 shares of common stock for annual director and audit committee services. The fair value of the common stock was \$40,002 based on the closing price of the Company's common stock on the date of grant. On February 26, 2020, we granted Mr. Oehler an option to purchase 24,151 shares of common stock at an exercise price of \$5.41 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 148% and a call option value of \$3.7354, was \$90,215. Effective January 27, 2021, Mr. Oehler tendered his resignation.

(3) On October 1, 2020, we issued Mr. Lahti a total of 4,167 shares of common stock for annual director services. The fair value of the common stock was \$25,002 based on the closing price of the Company's common stock on the date of grant. On February 26, 2020, we granted Mr. Lahti an option to purchase 24,151 shares of common stock at an exercise price of \$5.41 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 148% and a call option value of \$3.7354, was \$90,215.

(4) On October 1, 2020, we issued Mr. Lyle Berman a total of 4,167 shares of common stock for annual director services. The fair value of the common stock was \$25,002 based on the closing price of the Company's common stock on the date of grant. On February 26, 2020, we granted Mr. Lyle Berman an option to purchase 24,151 shares of common stock at an exercise price of \$5.41 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 148% and a call option value of \$3.7354, was \$90,215.

(5) On October 1, 2020, we issued Mr. Creed a total of 4,167 shares of common stock for annual director services. The fair value of the common stock was \$25,002 based on the closing price of the Company's common stock on the date of grant. On October 1, 2020, we granted Mr. Creed an option to purchase 24,151 shares of common stock at an exercise price of \$6.00 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 552% and a call option value of \$5.9660, was \$144,084.

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors.

Our Board has not yet recommended policy for board compensation, however stock grants and option awards have been granted to independent directors upon joining the board. The Company has not paid cash fees to directors and has no formal compensation arrangements with its directors. While there is no set policy regarding board compensation, this may be subject to change by the directors.

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

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 15, 2021, based on information obtained from the persons named below or as filed with the SEC, with respect to the beneficial ownership of shares of our common stock by: (i) each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director; (iii) each named executive officer; and (iv) all of our directors and executive officers as a group. On March 15, 2021, we had 3,939,439 shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term "beneficial ownership" with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following March 15, 2021. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, (i) each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity, and (ii) the address of each person or entity named in the table is c/o Sow Good Inc., 1440 N Union Bower Rd, Irving, TX 75061.

Name, Title and Address of Beneficial Owner	Number of Shares Beneficially Owned <sup>(1)</sup>	Percentage of Ownership
Claudia Goldfarb, Chief Executive Officer <sup>(2)</sup>	1,648,678	41.9%
Brad Burke, Chief Financial Officer	12,500	*
Ira Goldfarb, Chairman of Board <sup>(3)</sup>	1,651,194	41.9%
Bradley Berman, Director <sup>(4)</sup>	248,560	6.3%
Lyle Berman, Director <sup>(5)</sup>	354,246	8.9%
Joseph Lahti, Director <sup>(6)</sup>	34,033	*
Greg Creed, Director <sup>(7)</sup>	54,167	1.4%
Chris Ludeman, Director <sup>(8)</sup>	56,400	1.4%
<b>All Directors and Executive Officers as a Group (8 persons)</b>	<b>2,438,805</b>	<b>60.8%</b>
Neil Sell <sup>(9)</sup> 3300 Wells Fargo Center 90 South 7 <sup>th</sup> Street Minneapolis, MN 55402	242,077	6.1%
Morris Goldfarb <sup>(10)</sup> 512 Seventh Avenue, 35 <sup>th</sup> FL New York, NY 10018	240,152	6.1%

\*Indicates beneficial ownership of less than 1%.

<sup>(1)</sup>Except as pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned. The total number of issued and outstanding shares and the total number of shares owned by each person does not include unexercised warrants and stock options owned by parties other than for whom the calculation is presented, and is calculated as of March 15, 2021.

<sup>(2)</sup>Includes 1,620,973 shares held in the name of S-FDF, LLC, which is an entity that Ira owns with his spouse, Claudia Goldfarb.

<sup>(3)</sup>Includes 1,620,973 shares held in the name of S-FDF, LLC, which is an entity that Claudia owns with her spouse, Ira Goldfarb.

<sup>(4)</sup>Includes 32,747 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2021. Includes 1,385 shares held by certain trusts for the children of Mr. Bradley Berman, and 6,196 shares owned by Mr. Bradley Berman's spouse.

<sup>(5)</sup>Includes 32,661 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2021. Does not include 123,910 shares held by trusts for the children of Mr. Lyle Berman, for which Mr. Neil Sell and Mr. Gary Raimist are co-trustees.

<sup>(6)</sup>Includes 7,533 shares which may be purchased pursuant to stock options and warrants exercisable within 60 days of March 15, 2021, and 666 shares held by Mr. Lahti's spouse.

<sup>(7)</sup>Includes 50,000 shares held by the Creed Revocable Living Trust, for which Mr. Creed is trustee.

<sup>(8)</sup>Includes 50,000 shares held by Christopher R. & Linda M. Ludeman JTWROS.

<sup>(9)</sup>Includes 50 shares which may be purchased pursuant to stock warrants exercisable within 60 days of March 15, 2021, and includes an aggregate of 210,026 shares owned by certain trusts, for which Mr. Sell is trustee and inclusive of 123,908 shares for which Mr. Sell is a co-trustee with Mr. Raimist. Does not include 600 shares held by Mr. Sell's spouse, for which Mr. Sell disclaims beneficial ownership.

<sup>(10)</sup>Includes 150,000 shares held by Sirrom, LLC, for which Morris Goldfarb is the beneficial ownership.

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

### Related Party Transactions

#### Common Stock Awarded Pursuant to Business Combination

On October 1, 2020, the Company issued 1,120,000 shares of common stock to S-FDF, LLC, a Texas limited liability company co-owned by Claudia and Ira Goldfarb, pursuant to an Asset Purchase Agreement, between the Company and the Seller. The issuance represented 41.18% of the Company's issued and outstanding common stock at the time. The fair value of the common stock was \$6,720,000 based on the closing price of the Company's common stock on the date of grant.

The number of Seller Shares to be issued was subject to adjustment, as specified in the amended Asset Purchase Agreement, based on the extent to which the amount of cash proceeds held by the Company, as derived from the sale of the Company's holdings of Allied Esports Entertainment Inc. ("AESE") Shares, were less than \$5 million or greater than \$6 million on the date specified in the Asset Purchase Agreement. This resulted in an additional 500,973 Seller Shares that were issued on January 4, 2021. The combined issuances represented approximately 46% of the Company's issued and outstanding common stock, on a fully diluted basis. The fair value of the 500,673 shares was \$1,853,600, based on the closing price of the Company's common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020.

#### Common Stock Issued to Officers for Services, Common Stock Payable

On January 4, 2021, the Board amended Claudia and Ira Goldfarb's employment agreements to issue shares of common stock in equal monthly increments of 5,541 and 6,044 shares, respectively, following each month of employment from October 2020 through December 31, 2021. The Company awarded an aggregate 16,623 and 18,133 shares of common stock to Claudia and Ira, respectively, for their services from October through December 31, 2020 as a common stock payable. The aggregate fair value of the shares was \$61,505 and \$67,092 for Claudia and Ira, respectively, based on the closing price of the Company's common stock on the date of grant, was presented as Common Stock Payable as of December 31, 2020. The shares were subsequently issued on January 4, 2021.

#### Common Stock Issued to Directors for Services

On October 1, 2020, the Company issued an aggregate 20,835 shares of common stock amongst its five Directors for annual services to be rendered. The aggregate fair value of the common stock was \$125,010, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

On October 1, 2020, the Company issued an additional 2,500 shares to Mr. Benjamin Oehler, for Audit Committee Chair services. The fair value of the common stock was \$15,000, based on the closing price of the Company's common stock on the date of grant. The shares were expensed upon issuance.

#### Management Incentive Plan

On March 1, 2018, the Board of Directors (the "Board") of the Company approved and adopted the Black Ridge Gas, Inc. 2018 Management Incentive Plan (the "Plan") and the form of 2018 Management Incentive Plan Award Agreement (the "Award Agreement").

In connection with the approval of the Plan and Award Agreement, the Board approved the issuance of awards (the "Awards") to certain individuals including officers and directors (the "Grantees"), representing a percentage of the shares of BRAC held by the Company as of the date of closing of a business combination for the acquisition of a target business as described in the BRAC prospectus dated October 4, 2017, as follows:

Name	Percentage of BRAC Shares Owned by the Company Granted to the Grantee
Bradley Berman	1.6%
Lyle Berman	1.6%
Benjamin Oehler	1.6%
Joe Lahti	1.6%
Kenneth DeCubellis	4.0%
Michael Eisele	2.8%
James Moe	2.1%

Following the AESE merger on August 9, 2019, the Company owned 2,685,500 shares of AESE common stock and 505,000 warrants to purchase AESE (NASDAQ: AESEW). During the year ended December 31, 2020, the Company sold some of these securities, resulting in gross proceeds of \$3,181,735, consisting of 1,970,920 shares of common stock for total proceeds of \$3,108,067, and the sale of warrants to purchase 505,000 shares for total proceeds of \$73,668. The Company also distributed 537,101 Sponsor Shares on August 9, 2020 to employees and directors under the 2018 Management Incentive Plan. Employees and directors were required to remain in their positions for a one-year period from the AESE merger, with certain exceptions, to receive the granted shares. The AESE Plan Shares had a fair market value of \$1,133,281 on August 10, 2020, when the shares were distributed. The Company recognized \$1,396,460 of compensation expense related to the Plan during the year ended December 31, 2019.

#### Lease Agreement

Upon closing of the Asset Purchase Agreement, the Company assumed the Seller's obligations under a real property lease for its 20,945 square foot facility in Irving, Texas, under which an entity owned entirely by Ira Goldfarb is the landlord. The lease term is through September 15, 2025, with two five-year options to extend, at a monthly lease term of \$10,036, with approximately a 3% annual escalation of lease payments commencing September 15, 2021.

#### Shares Transferred to Purchasers of BRAC Common Stock

As presented in Note 5, in July and August 2019, BRAC and BROG entered into several share purchase agreements (the "Purchase Agreements") with several parties (collectively referred to as the "Purchasers"). Pursuant to the Purchase Agreements, the Purchasers agreed to purchase an aggregate of \$18,000,000 of shares of BRAC's common stock in open market or privately negotiated transactions. If the Purchasers were unable to purchase the full \$18,000,000 of shares of common stock in open market or privately negotiated transactions, BRAC will issue to the Purchasers newly issued shares at the Closing at a per-share price equal to the per-share amount held in BRAC's trust account (\$10.30 per share), and having an aggregate value equal to the difference between \$18,000,000 and the dollar amount of shares purchased by them in the open market or in privately negotiated transactions. At the Closing, BRAC agreed to issue to the Purchasers 1.5 shares of common stock for every 10 shares purchased by them under the Purchase Agreements. Additionally, the Company agreed to transfer an aggregate of 720,000 shares held by it of BRAC common stock to the Purchasers. The Purchasers included a \$3 million investment from Lyle Berman, a member of the board of directors of both BRAC and BROG and the largest shareholder of BROG. Mr. Berman received 43,800 bonus shares of BRAC common stock issued by BRAC and 120,000 shares of BRAC common stock transferred from the Company.

#### Review and Approval of Transactions with Related Persons

The Audit Committee has adopted a related party transaction policy whereby any proposed transaction between the Company and any officer or director, any

stockholder owning in excess of 5% of the Company's stock, immediate family member of an officer or director, or an entity that is substantially owned or controlled by one of these individuals, must be approved by a majority of the disinterested members of the Audit Committee. The only exceptions to this policy are for transactions that are available to all employees of the Company generally or involve less than \$25,000. If the proposed transaction involves executive or director compensation, it must be approved by the Compensation Committee. Similarly, if a significant opportunity is presented to any of the Company's officers or directors, such officer or director must first present the opportunity to the Board for consideration.

At each meeting of the Audit Committee, the Audit Committee meets with the Company's management to discuss any proposed related party transactions. A majority of disinterested members of the Audit Committee must approve a transaction for the Company to enter into it. If approved, management will update the Audit Committee with any material changes to the approved transaction at its regularly scheduled meetings.

#### Director Independence

Our Common Stock is currently quoted on the OTC Bulletin Board. As such, we are not currently subject to corporate governance standards of listed companies, which require, among other things, that the majority of the board of directors be independent. We are not currently subject to corporate governance standards defining the independence of our directors, and we have chosen to define an "independent" director in accordance with the NASDAQ Global Market's requirements for independent directors. Our Board of Directors has determined that each of our directors, other than Ira and Claudia Goldfarb, is "independent" in accordance with the NASDAQ Global Market's requirements. Thus, a majority of the current Board of Directors is independent.

Our Board of Directors will review at least annually the independence of each director. During these reviews, our Board of Directors will consider transactions and relationships between each director (and his or her immediate family and affiliates) and us and our management to determine whether any such transactions or relationships are inconsistent with a determination that the director was independent. The Board of Directors will conduct its annual review of director independence and to determine if any transactions or relationships exist that would disqualify any of the individuals who then served as a director under the rules of the NASDAQ Stock Market, or require disclosure under SEC rules.

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

M&K CPAS, PLLC ("M&K") was the Company's independent registered public accounting firm for the years ended December 31, 2020 and 2019 and has served the Company as its independent registered public accounting firm since our inception.

##### *Audit and Non-Audit Fees*

The following table presents fees for professional services rendered by M&K for the audit of the Company's annual financial statements for the years ended December 31, 2020 and 2019.

	Years Ended December 31,	
	2020	2019
Audit fees <sup>(1)</sup>	\$ 41,265	\$ 32,000
Audit related fees	—	—
Tax fees	—	—
All other fees	—	—
<b>Total</b>	<b>\$ 41,265</b>	<b>\$ 32,000</b>

(1) Audit fees were principally for audit services and work performed in the preparation and review of the Company's quarterly reports on Form 10-Q.

##### *Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm*

The Audit Committee is responsible for appointing, setting compensation for, and overseeing the work of the Company's independent registered public accounting firm. The Audit Committee has established a policy regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm, and all such services were approved by the Audit Committee in the years ended December 31, 2020 and 2019.

The Audit Committee assesses requests for services by the independent registered public accounting firm using several factors. The Audit Committee will consider whether such services are consistent with the Public Company Accounting Oversight Board's and SEC's rules on auditor independence. In addition, the Audit Committee will determine whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service based upon the members' familiarity with the Company's business, people, culture, accounting systems, risk profile and whether the service might enhance the Company's ability to manage or control risk or improve audit quality.

##### *Report of the Audit Committee*

The primary purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's financial reporting process. The Audit Committee's function is more fully described in its charter, which can be found on the Company's website at [www.blackridgeoil.com](http://www.blackridgeoil.com), which we expect to move to [www.sowgoodinc.com](http://www.sowgoodinc.com). The Committee reviews the charter on an annual basis. The Board of Directors has determined that each member of the Committee is independent in accordance with the NASDAQ Global Market's requirements for independent directors. The Board of Directors has also determined that Benjamin Oehler qualified, and Chris Ludeman now qualifies, as an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K. Management has the primary responsibility for the financial statements and reporting process. The independent registered public accounting firm is responsible for auditing those financial statements and expressing an opinion on the fairness of the audited financial statements based on the audit conducted in accordance with the standards of the Public Company Accounting Oversight Board.

Reviewed and discussed the audited financial statements for the year ended December 31, 2020 with management and M&K CPAS, PLLC, the Company's independent auditors;

Discussed with M&K CPAS, PLLC the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC; and

Received the written disclosures and the letter from M&K CPAS, PLLC required by the applicable requirements of the PCAOB regarding M&K CPAS, PLLC's communications with the audit committee concerning independence, and has discussed with M&K CPAS, PLLC its independence.

The Audit Committee also considered, as it determined appropriate, tax matters and other areas of financial reporting and the audit process over which the Audit Committee has oversight.

Based on the Audit Committee's review and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 for filing with the SEC.

THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Chris Ludeman, *Chairman*  
Joseph Lahti  
Lyle Berman  
Bradley Berman  
Greg Creed

36

## PART IV

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

#### Exhibits

Exhibit No	Description
2.1	<a href="#">Distribution Agreement by and between Ante4, Inc. (now Voyager Oil &amp; Gas, Inc.) and Ante5, Inc. (now Sow Good Inc.), dated April 16, 2010</a> (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commissioner by Voyager Oil & Gas, Inc. on April 19, 2010)
2.2	<a href="#">Certificate of Ownership and Merger</a> (incorporated by reference to Exhibit 3.3 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on April 3, 2012)
2.3	<a href="#">Plan and Agreement of Merger by and between Black Ridge Oil &amp; Gas, Inc. and Black Ridge Oil &amp; Gas, Inc., dated December 10, 2012</a> (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on December 12, 2012)
2.4	<a href="#">Agreement and Plan of Merger by and between Sow Good Inc. and Black Ridge Oil &amp; Gas, Inc., dated January 20, 2021</a> (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on January 22, 2021)
3.1	<a href="#">Certificate of Incorporation</a> (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on December 12, 2012)
3.2	<a href="#">Certificate of Amendment to Articles of Incorporation</a> (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on February 21, 2020)
3.3	<a href="#">Bylaws</a> (incorporated by reference to Exhibit 3.2 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on December 12, 2012)
3.4	<a href="#">Articles of Merger by and between Sow Good Inc. and Black Ridge Oil &amp; Gas, Inc., dated January 20, 2021</a> (incorporated by reference to Exhibit 3.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on January 22, 2021)
4.1	<a href="#">Black Ridge Oil &amp; Gas, Inc. 2012 Amended and Restated Stock Incentive Plan</a> (incorporated by reference from Schedule 14C filed with the Securities and Exchange Commission by Sow Good Inc. on March 26, 2012)
4.2	<a href="#">Black Ridge Oil &amp; Gas Amendment of 2012 Stock Incentive Plan</a> (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on September 27, 2012)
4.3	<a href="#">Form of Stock Incentive Agreement</a> (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on September 27, 2012)
4.4	<a href="#">2016 Non-Qualified Stock Option Plan</a> (incorporated by reference to Exhibit 99.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on December 14, 2016)
4.5	<a href="#">Form of Non-Qualified Stock Option Agreement</a> (incorporated by reference to Exhibit 99.2 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on December 14, 2016)

37

4.6 [2018 Stock Management Incentive Plan](#) (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on March 6, 2018)

4.7 [Form of 2018 Management Incentive Award Agreement](#) (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on March 6, 2018)

4.8	<a href="#">2020 Stock Incentive Plan</a> (incorporated by reference to Annex C of the DEF 14C filed with the Securities and Exchange Commission by Sow Good Inc. on January 10, 2020)
4.9*	<a href="#">Amendment to 2020 Stock Incentive Plan, dated October 1, 2020</a>
4.10*	<a href="#">Amendment to 2020 Stock Incentive Plan, dated January 4, 2021</a>
4.11*	<a href="#">Amendment to 2020 Stock Incentive Plan, dated March 19, 2021</a>
4.12	<a href="#">Form of 2020 Incentive Stock Option Grant Agreement</a> (incorporated by reference to Exhibit 99.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on February 26, 2020)
4.13	<a href="#">Form of 2020 Non-Qualified Stock Option Grant Agreement</a> (incorporated by reference to Exhibit 99.2 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on February 26, 2020)
4.14*	<a href="#">Description of Securities</a>
9.1	<a href="#">Form of Voting Agreement used in connection with our private placement which closed on December 16, 2010</a> (incorporated by reference to Exhibit 9.1 of the Form S-1 filed with the Securities and Exchange Commission by Sow Good, Inc. on August 22, 2011)
10.1	<a href="#">Form of Indemnification Agreement with Officers and Directors</a> (incorporated by reference to Exhibit 10.16 of the Form 10-K filed with the Securities and Exchange Commission by Sow Good Inc. on March 28, 2013)
10.2	<a href="#">Black Ridge Oil &amp; Gas, Inc. 2018 Management Incentive Plan</a> (incorporated by reference to Exhibit 10.1 of the Report on Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on March 6, 2018)
10.3	<a href="#">Form of 2018 Incentive Plan Award Agreement</a> (incorporated by reference to Exhibit 10.2 of the Report on Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on March 6, 2018)
10.4	<a href="#">Business Loan Agreement dated March 12, 2020, between Cadence Bank, N.A. and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.1 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.5	<a href="#">Promissory Note dated March 12, 2020, between Cadence Bank, N.A. and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.2 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.6	<a href="#">Commercial Pledge and Security Agreement dated March 12, 2020, between Cadence Bank, N.A. and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.3 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)
10.7	<a href="#">Form of Commercial Guaranty dated March 12, 2020, between Cadence Bank, N.A. and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.4 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on May 15, 2020)

10.8	<a href="#">Asset Purchase Agreement dated June 9, 2020, between S-FDF, LLC and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.2 of the Form SC 13D/A filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on June 17, 2020)
10.9	<a href="#">Amendment to Asset Purchase Agreement dated October 1, 2020, between S-FDF, LLC and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on October 6, 2020)
10.10	<a href="#">Promissory Note dated April 24, 2020, between Kensington Bank and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.6 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 11, 2020)
10.11	<a href="#">Promissory Note dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.7 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 11, 2020)
10.12	<a href="#">Security Agreement dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.8 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 11, 2020)
10.13	<a href="#">Loan Authorization &amp; Agreement dated June 16, 2020, between the U.S. Small Business Administration and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.9 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on August 11, 2020)
10.14	<a href="#">Amended and Restated Employment Agreement dated September 30, 2020, between Kenneth DeCubellis and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.11 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on November 12, 2020)
10.15	<a href="#">Separation Agreement and Release dated September 30, 2020, between Michael Eisele and Black Ridge Oil &amp; Gas, Inc.</a> (incorporated by reference to Exhibit 10.12 of the Form 10-Q filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on November 12, 2020)
10.16	<a href="#">Employment Agreement, dated December 28, 2020, between Brad Burke and Sow Good Inc.</a> (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Black Ridge Oil & Gas, Inc. on January 4, 2021)
10.17	<a href="#">Stock Purchase Agreement dated February 5, 2021, by and among the Company and the Purchasers named therein</a> (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by Sow Good Inc. on February 5, 2021)
10.18*	<a href="#">Employment Agreement, dated October 1, 2020, between Claudia Goldfarb and Sow Good Inc.</a>
10.19*	<a href="#">Employment Agreement, dated October 1, 2020, between Ira Goldfarb and Sow Good Inc.</a>
10.20*	<a href="#">Amended Employment Agreement, dated January 4, 2021, between Claudia Goldfarb and Sow Good Inc.</a>

10.21*	<a href="#">Amended Employment Agreement, dated January 4, 2021, between Ira Goldfarb and Sow Good Inc.</a>
24.1*	<a href="#">Power of Attorney (including on signature pages)</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)</a>
32.1*	<a href="#">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</a>
32.2*	<a href="#">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</a>
101*	Interactive Data Files

\* Filed herewith.

**ITEM 16. Form 10-K Summary.**

None.

**SIGNATURES**

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

Dated: March 31, 2021

SOW GOOD INC.

By: /s/ Claudia Goldfarb  
 Claudia Goldfarb, Chief Executive Officer  
 (Principal Executive Officer)

By: /s/ Brad Burke  
 Brad Burke, Chief Financial Officer  
 (Principal Financial Officer)

**POWER OF ATTORNEY**

Each of the undersigned members of the Board of Directors of SOW GOOD INC., whose signature appears below hereby constitutes and appoints Claudia Goldfarb, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such name, place and stead, in any and all capacities, to sign the Form 10-K for the year ended December 31, 2020 (the "Annual Report") of SOW GOOD INC. and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, and Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities indicated on the dates indicated.

By: /s/ Claudia Goldfarb  
 Claudia Goldfarb, Chief Executive Officer  
 (Principal Executive Officer)

Dated: March 31, 2021

By: /s/ Brad Burke  
 Brad Burke, Chief Financial Officer  
 (Principal Financial Officer)

Dated: March 31, 2021

By: /s/ Ira Goldfarb  
 Ira Goldfarb, Executive Chairman

Dated: March 31, 2021

By: /s/ Bradley Berman  
 Bradley Berman, Director

Dated: March 31, 2021

By: /s/ Lyle Berman  
 Lyle Berman, Director

Dated: March 31, 2021

By: /s/ Joseph Lahti  
 Joseph Lahti, Director

Dated: March 31, 2021

By: /s/ Greg Creed  
Greg Creed, Director

Dated: March 31, 2021

By: /s/ Chris Ludeman  
Chris Ludeman, Director

Dated: March 31, 2021

**AMENDMENT TO  
BLACK RIDGE OIL & GAS, INC.  
2020 STOCK INCENTIVE PLAN**

This document is the Amendment to the Black Ridge Oil & Gas, Inc. 2020 Stock Incentive Plan, as amended (the Plan).

WITNESSETH

**WHEREAS**, Black Ridge Oil & Gas, Inc. (the Company) has established the Plan; and

**WHEREAS**, Section 10.10 of the Plan permits amendment of the Plan by the Board of Directors of the Company (the Board), conditioned on additional approvals by the Company's shareholders for certain amendments;

**WHEREAS**, the Board has authorized the Company to close on that certain Asset Purchase Agreement (the APA) dated June 9, 2020 with Seller (as defined therein) pursuant to which the Company will purchase assets related to the freeze-dried fruits business of Seller (the Transaction); and

**WHEREAS**, pursuant to the APA and as a condition to closing the Transaction, the Board is required to have approved an amendment to the Plan (subject to further approval by shareholders within one year of closing on the Transaction).

**NOW, THEREFORE**, in consideration of the premises, the Plan is amended as follows:

Section 5.1 of the Plan is hereby deleted in its entirety and replaced with the following:

"5.1 **Number of Shares.** Subject to adjustment as provided in Section 10.6, the number of shares of Common Stock which may be issued under the Plan shall not exceed 514,150 shares of Common Stock. Shares of Common Stock that are issued under the Plan or are subject to outstanding Incentives will be applied to reduce the maximum number of shares of Common Stock remaining available for issuance under the Plan. Shares of Common Stock subject to a participant's exercise of either an option or a SAR, but not both (a "tandem SAR"), shall be counted only once."

*[Certification on following page.]*

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**CERTIFICATION**

The undersigned Chairman of the Board of Black Ridge Oil & Gas, Inc., a Nevada corporation, does hereby certify that the foregoing Amendment to the Black Ridge Oil & Gas, Inc. 2020 Stock Incentive Plan was adopted for the Company by its Board of Directors, subject to approval by the stockholders, at a meeting of the Board of Directors held September 29, 2020.

\_\_\_\_\_  
Bradley Berman, Chairman of the Board

**SECOND AMENDMENT TO  
BLACK RIDGE OIL & GAS, INC.  
2020 STOCK INCENTIVE PLAN**

This document is the Second Amendment to the Black Ridge Oil & Gas, Inc. 2020 Stock Incentive Plan, as amended (the Plan).

WITNESSETH

**WHEREAS**, Black Ridge Oil & Gas, Inc. (the Company) has established the Plan; and

**WHEREAS**, Section 10.10 of the Plan permits amendment of the Plan by the Board of Directors of the Company (the Board), conditioned on additional approvals by the Company's shareholders for certain amendments;

**WHEREAS**, the Board previously approved an amendment to the Plan (subject to further approval by shareholders within one year), increasing the number of shares reserved thereunder to 514,150 (the First Amendment); and

**WHEREAS**, the Board has determined it to be in the best interests of the Company to further amend the Plan as set forth in this document (the Second Amendment).

**NOW, THEREFORE**, in consideration of the premises, the Plan is amended as follows:

Section 5.1 of the Plan is hereby deleted in its entirety and replaced with the following:

“5.1 **Number of Shares.** Subject to adjustment as provided in Section 10.6, the number of shares of Common Stock which may be issued under the Plan shall not exceed 614,150 shares of Common Stock. Shares of Common Stock that are issued under the Plan or are subject to outstanding Incentives will be applied to reduce the maximum number of shares of Common Stock remaining available for issuance under the Plan. Shares of Common Stock subject to a participant's exercise of either an option or a SAR, but not both (a “tandem SAR”), shall be counted only once.”

*[Certification on following page.]*

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**CERTIFICATION**

The undersigned Executive Chairman of the Board of Black Ridge Oil & Gas, Inc., a Nevada corporation, does hereby certify that the foregoing Second Amendment to the Black Ridge Oil & Gas, Inc. 2020 Stock Incentive Plan was adopted for the Company by its Board of Directors, subject to approval by the stockholders, on January 4, 2021.

\_\_\_\_\_  
Ira Goldfarb, Executive Chairman of the Board

**THIRD AMENDMENT TO  
SOW GOOD INC.  
(f/k/a BLACK RIDGE OIL & GAS, INC.)  
2020 STOCK INCENTIVE PLAN**

This document is the Third Amendment to the Sow Good Inc. 2020 Stock Incentive Plan, as amended (the "Plan").

WITNESSETH

**WHEREAS**, Sow Good Inc., formerly known as Black Ridge Oil & Gas, Inc. (the "Company") has established the Plan; and

**WHEREAS**, Section 10.10 of the Plan permits amendment of the Plan by the Board of Directors of the Company (the "Board"), conditioned on additional approvals by the Company's shareholders for certain amendments;

**WHEREAS**, the Board previously approved an amendment to the Plan (subject to further approval by shareholders within one year), increasing the number of shares reserved thereunder to 514,150 (the "First Amendment");

**WHEREAS**, the Board previously approved an amendment to the Plan (subject to further approval by shareholders within one year), increasing the number of shares reserved thereunder to 614,150 (the "Second Amendment"); and

**WHEREAS**, the Board has determined it to be in the best interests of the Company to further amend the Plan as set forth in this document (the "Third Amendment").

**NOW, THEREFORE**, in consideration of the premises, the Plan is amended as follows:

Section 5.1 of the Plan is hereby deleted in its entirety and replaced with the following:

"5.1 **Number of Shares.** Subject to adjustment as provided in Section 10.6, the number of shares of Common Stock which may be issued under the Plan shall not exceed 814,150 shares of Common Stock. Shares of Common Stock that are issued under the Plan or are subject to outstanding Incentives will be applied to reduce the maximum number of shares of Common Stock remaining available for issuance under the Plan. Shares of Common Stock subject to a participant's exercise of either an option or a SAR, but not both (a "tandem SAR"), shall be counted only once."

*[Certification on following page.]*

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**CERTIFICATION**

The undersigned Executive Chairman of the Board of Sow Good Inc., a Nevada corporation, does hereby certify that the foregoing Third Amendment to the Sow Good Inc. 2020 Stock Incentive Plan was adopted for the Company by its Board of Directors, subject to approval by the stockholders, effective on March 19, 2021.

\_\_\_\_\_  
Ira Goldfarb, Executive Chairman of the Board

## DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following is a brief description of shares of common stock (“common stock”) of Black Ridge Oil & Gas, Inc. (the “Company,” “we,” “us,” or “our”). The brief description is based upon our Articles of Incorporation, including the Certificate of Amendment to our Articles of Incorporation, (as amended, our “Articles of Incorporation”), our Bylaws (our “Bylaws”), and provisions of applicable Nevada law. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the full text of our Articles of Incorporation and Bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K.

### GENERAL

Our Articles of Incorporation authorizes us to issue up to 520,000,000 shares of capital stock, consisting of 500,000,000 shares of common stock, par value \$0.001 per share, and 20,000,000 shares of preferred stock, par value \$0.001 per share, of which 2,742,890 shares of common stock and no shares of preferred stock were issued and outstanding as of December 31, 2020. Our Articles of Incorporation authorizes our Board of Directors (our “Board”) to determine, at any time and from time to time, the number of authorized shares, as described below.

### COMMON STOCK

Holders of common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders. Our holders of common stock do not have cumulative voting rights. Holders of common stock will be entitled to receive ratably such dividends as may be declared by the Board out of funds legally available therefor, which may be paid in cash, property, or in shares of the Company’s capital stock. Upon liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the holders of common stock will be entitled to receive their ratable share of the net assets of the Company legally available for distribution after payment of all debts and other liabilities. There are no conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the common stock.

#### Dividends

We have not declared or paid any dividends on our common stock since our inception and do not anticipate paying dividends for the foreseeable future. The payment of dividends is subject to the discretion of our Board and will depend, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common stockholders will be payable when, as and if declared by our Board, based upon the board’s assessment of our financial condition and performance, earnings, need for funds, capital requirements, prior claims of preferred stock to the extent issued and outstanding, and other factors, including income tax consequences, restrictions and applicable laws. There can be no assurance, therefore, that any dividends on our common stock will ever be paid.

### PREFERRED STOCK

The shares of preferred stock may be issued in series, and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance of such stock adopted from time to time by the Board. The Board is expressly vested with the authority to determine and fix in the resolution or resolutions providing for the issuances of preferred stock the voting powers, designations, preferences and rights, and the qualifications, limitations or restrictions thereof, of each such series to the full extent now or hereafter permitted by the laws of the State of Nevada.

### ANTI-TAKEOVER EFFECTS OF PROVISIONS OF OUR ARTICLES OF INCORPORATION, BYLAWS AND NEVADA LAW

The following is a brief description of the provisions in our Articles of Incorporation, Bylaws and Nevada Law that could have an effect of delaying, deferring, or preventing a change in control of the Company.

#### Anti-Takeover Effects of Nevada Law

##### *Business Combinations*

We are a Nevada corporation and are generally governed by the Nevada Private Corporations Code, Title 78 of the Nevada Revised Statutes, or NRS.

The “business combination” provisions of Sections 78.411 to 78.444, inclusive, of the NRS, generally prohibit a Nevada corporation with at least 200 stockholders from engaging in various “combination” transactions with any interested stockholder for a period of two years after the date of the transaction in which the person became an interested stockholder, unless the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status or the combination is approved by the board of directors and thereafter is approved at a meeting of the stockholders by the affirmative vote of stockholders representing at least 60% of the outstanding voting power held by disinterested stockholders, and extends beyond the expiration of the two-year period, unless:

- the combination was approved by the board of directors prior to the person becoming an interested stockholder or the transaction by which the person first became an interested stockholder was approved by the board of directors before the person became an interested stockholder or the combination is later approved by a majority of the voting power held by disinterested stockholders; or
- consideration to be paid by the interested stockholder is at least equal to the highest of: (a) the highest price per share paid by the interested stockholder within the two years immediately preceding the date of the announcement of the combination or in the transaction in which it became an interested stockholder, whichever is higher, (b) the market value per share of common stock on the date of announcement of the combination and the date the interested stockholder acquired the shares, whichever is higher, or (c) for holders of preferred stock, the highest liquidation value of the preferred stock, if it is higher.

A “combination” is generally defined to include mergers or consolidations or any sale, lease exchange, mortgage, pledge, transfer, or other disposition, in one transaction or a series of transactions, with an “interested stockholder” having: (a) an aggregate market value equal to 5% or more of the aggregate market value of the assets of the corporation, (b) an aggregate market value equal to 5% or more of the aggregate market value of all outstanding shares of the corporation, (c) 10% or more of the earning power or net income of the corporation, and (d) certain other transactions with an interested stockholder or an affiliate or associate of an interested stockholder.

In general, an “interested stockholder” is a person who, together with affiliates and associates, owns (or within two years, did own) 10% or more of a corporation’s voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire our Company even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

### *Control Share Acquisitions*

The “control share” provisions of Sections 78.378 to 78.3793, inclusive, of the NRS apply to “issuing corporations” that are Nevada corporations with at least 200 stockholders, including at least 100 stockholders of record who are Nevada residents, and that conduct business directly or indirectly in Nevada. The control share statute prohibits an acquirer, under certain circumstances, from voting its shares of a target corporation’s stock after crossing certain ownership threshold percentages, unless the acquirer obtains approval of the target corporation’s disinterested stockholders. The statute specifies three thresholds: one-fifth or more but less than one-third, one-third but less than a majority, and a majority or more, of the outstanding voting power.

Generally, once an acquirer crosses one of the above thresholds, those shares in an offer or acquisition and acquired within 90 days thereof become “control shares” and such control shares are deprived of the right to vote until disinterested stockholders restore the right. These provisions also provide that if control shares are accorded full voting rights and the acquiring person has acquired a majority or more of all voting power, all other stockholders who do not vote in favor of authorizing voting rights to the control shares are entitled to demand payment for the fair value of their shares in accordance with statutory procedures established for dissenters’ rights.

A corporation may elect to not be governed by, or “opt out” of, the control share provisions by making an election in its articles of incorporation or bylaws, provided that the opt-out election must be in place on the 10th day following the date an acquiring person has acquired a controlling interest, that is, crossing any of the three thresholds described above. We have not opted out of the control share statutes, and will be subject to these statutes if we are an “issuing corporation” as defined in such statutes.

The effect of the Nevada control share statutes is that the acquiring person, and those acting in association with the acquiring person, will obtain only such voting rights in the control shares as are conferred by a resolution of the stockholders at an annual or special meeting. The Nevada control share law, if applicable, could have the effect of discouraging takeovers of our Company.

### **Number of Directors; Vacancies; Removal**

Our Bylaws provide that only our Board may increase or decrease the number of directors. Any vacancy on the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and shall hold such office until his successor is duly elected and qualified. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office or by an election at an annual meeting, or at a special meeting of stockholders called for that purpose. A director chosen to fill a position resulting from an increase in the number of directors shall hold office only until the next election of directors by the stockholder.

Our Bylaws provide that any director or directors of the corporation may be removed from office at any time, with or without cause, by the vote or written consent of stockholders representing not less than a majority of the issued and outstanding capital stock entitled to voting power.

### **Authorized Shares**

Without any action by our shareholders, we may increase or decrease the aggregate number of shares or the number of shares of any class we have authority to issue at any time. The board shall have authority to establish more than one class or series of shares of this corporation, and the different classes and series shall have such relative rights and preferences, with such designations, as the board may by resolution provide. Issuance of such a new class or series could, depending upon the terms of the class or series, delay, defer, or prevent a change of control of the Company.

### **Advance Notice Requirements for Stockholder Proposals and Director Nominations**

Our Bylaws contain advance notice provisions that a stockholder must follow if it intends to bring business proposals or director nominations, as applicable, before a meeting of stockholders. These provisions may preclude our stockholders from bringing matters before the annual meeting of stockholders or from making nominations at the annual meeting of stockholders.

### **No Cumulative Voting**

Holders of our common shares do not have cumulative voting rights in the election of Directors. The absence of cumulative voting may make it more difficult for shareholders owning less than a majority of our common shares to elect any Directors to our Board.

### **LIMITATION ON LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Section 78.138 of the NRS provides that, unless the corporation’s articles of incorporation provide otherwise, a director or officer will not be individually liable unless it is proven that (i) the director’s or officer’s acts or omissions constituted a breach of his or her fiduciary duties, and (ii) such breach involved intentional misconduct, fraud, or a knowing violation of the law.

Section 78.7502 of the NRS permits a company to indemnify its directors and officers against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with a threatened, pending, or completed action, suit, or proceeding, if the officer or director (i) is not liable pursuant to NRS 78.138, or (ii) acted in good faith and in a manner the officer or director reasonably believed to be in or not opposed to the best interests of the corporation and, if a criminal action or proceeding, had no reasonable cause to believe the conduct of the officer or director was unlawful. Section 78.7502 of the NRS requires a corporation to indemnify a director or officer that has been successful on the merits or otherwise in defense of any action or suit. Section 78.7502 of the NRS precludes indemnification by the corporation if the officer or director has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court determines that in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses and requires a corporation to indemnify its officers and directors if they have been successful on the merits or otherwise in defense of any claim, issue, or matter resulting from their service as a director or officer.

Section 78.751 of the NRS permits a Nevada company to indemnify its officers and directors against expenses incurred by them in defending a civil or criminal action, suit, or proceeding as they are incurred and in advance of final disposition thereof, upon determination by the stockholders, the disinterested board members, or by independent legal counsel. If so provided in the corporation’s articles of incorporation, bylaws, or other agreement, Section 78.751 of the NRS requires a corporation to advance expenses as incurred upon receipt of an undertaking by or on behalf of the officer or director to repay the amount if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the company. Section 78.751 of the NRS further permits the company to grant its directors and officers additional rights of indemnification under its articles of incorporation, bylaws, or other agreement.

Section 78.752 of the NRS provides that a Nevada company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee, or agent of the company, or is or was serving at the request of the company as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer,

employee, or agent, or arising out of his status as such, whether or not the company has the authority to indemnify him against such liability and expenses.

We have entered into indemnification agreements with each of our officers and directors to provide indemnification to the fullest extent permitted by the NRS against expense, liability, and loss reasonably incurred or suffered by them in connection with their service as an officer or director. The agreements provide for advance costs and expenses incurred with respect to any proceeding to which a person is made a party as a result of being a director or officer prior to or after final disposition of such proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined that such person is not entitled to indemnification. We may purchase and maintain liability insurance, or make other arrangements for such obligations or otherwise, to the extent permitted by the NRS.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers or controlling persons pursuant to the provisions described above, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission (the "Commission") such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

#### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for our common stock is Empire Stock & Transfer.

#### **LISTING**

Our common stock is currently quoted on the OTCQB Market under the ticker symbol "SOWG."

## EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this "Agreement") is dated as of October 1, 2020 (the "Effective Date"), and is entered into by and between BLACK RIDGE OIL & GAS INC. (the "Company"), and Claudia Goldfarb (the "Employee").

WITNESSETH

**WHEREAS**, the Company desires to employ the Employee, and the Employee desires to be employed by the Company pursuant to the terms of this Agreement, as follows:

**1. POSITION AND DUTIES.** During the Employment Term, the Employee shall serve as the Chief Executive Officer of the Company. In this capacity, the Employee shall have the duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies. The Employee's principal place of employment with the Company shall be in the Dallas-Fort Worth, Texas metropolitan area, provided, that, the Employee understands and agrees that the Employee will be required to travel regularly for business purposes. The Employee shall report directly to the Executive Chairman of the Company (or such other person as designated, from time to time, by the Board of Directors of the Company (the "Board")) and shall devote all of the Employee's business time, energy, business judgment, knowledge and skill and the Employee's best efforts to the performance of the Employee's duties with the Company.

**2. EMPLOYMENT TERM.** The Company agrees to employ the Employee pursuant to the terms of this Agreement, and the Employee agrees to be so employed, for a term of five (5) years (the "Initial Term") commencing upon the Effective Date. Upon expiration of the Initial Term and on each anniversary of the Effective Date following the Initial Term, the term of this Agreement shall be automatically extended for successive one (1)-year periods (each, a "Successive Term"); provided, however, that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least thirty (30) days prior to the expiration of the Initial Term or any such Successive Term. Notwithstanding the foregoing, the Employee's employment hereunder may be earlier terminated in accordance with Section 8 hereof. The period of time between the Effective Date and the termination of the Employee's employment hereunder shall be referred to herein as the "Employment Term."

**3. COMPENSATION.** During the Employment Term, the Company agrees to pay the Employee compensation as follows:

(a) **STOCK COMPENSATION.** Beginning on the Effective Date and through December 31, 2021, the Company shall compensate the Employee through the issuance of 83,111 shares of common stock to the Employee issuable on December 31, 2024. In addition, the Employee shall be eligible for an option grant in an amount as determined by the Company's Board (or compensation committee of the Company) with a vesting schedule such that 60% shall vest on January 1, 2024 and 20% of the total grant shall vest on each of January 1, 2025 and 2026.

(b) **CASH COMPENSATION.** Beginning on January 1, 2022, the Company shall pay the Employee a base salary at an annual rate of \$292,500, payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly (the "Base Salary").

**4. ANNUAL BONUS.** Beginning on December 31, 2021, and on December 31 of each year thereafter, the Employee shall be eligible to receive an annual discretionary incentive payment (the "Annual Bonus") with respect to each calendar year during the Employment Term beginning with the 2021 calendar year, upon the attainment of one (1) or more pre-established performance goals established by the Board (or a committee thereof) in its sole discretion. The Annual Bonus will be based on a target bonus opportunity of fifty percent (50%) of the Employee's total compensation for such year. Any Annual Bonus payable hereunder shall be paid in the calendar year following the calendar year to which such bonus relates and at the same time as other annual bonuses are paid to other senior executives of the Company, if applicable, subject to the Employee's continued employment with the Company through the date of payment.

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**5. ANNUAL RAISE.** Beginning on December 31, 2022, and on December 31 of each year thereafter, the Employee shall receive a raise equal to ten percent (10%) of her Base Salary for the year then completed (each such raise, an "Annual Raise"), with such raise to be effective January 1 of the following year. Notwithstanding anything else contained herein, the Employee shall only be entitled to receive the Annual Raise for any given year if the Company's pre-tax net income for the most recently completed fiscal year is equal to or greater than one hundred thousand dollars (\$100,000).

**6. EMPLOYEE BENEFITS.** During the Employment Term, the Employee shall be entitled to participate in any employee benefit and insurance plans that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time. Further, the Employee shall be entitled to four (4) weeks of paid vacation per calendar year (as prorated for partial years) in accordance with the Company's policy on accrual and use applicable to employees as in effect from time to time.

**7. BUSINESS AND TRAVEL EXPENSES.** The Employee shall be reimbursed in accordance with the Company's expense reimbursement policy, for all reasonable out-of-pocket business expenses incurred and paid by the Employee during the Employment Term.

**8. TERMINATION.** The Employee's employment and the Employment Term shall terminate on the first of the following to occur:

(a) **DISABILITY.** Upon thirty (30) days' prior written notice by the Company to the Employee of a termination due to Disability. For purposes of this Agreement, "Disability" shall be defined as the inability of the Employee to have performed the Employee's material duties hereunder after reasonable accommodation due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including, without limitation, weekends and holidays) in any three hundred, sixty-five (365)-day period as determined by the Board in its reasonable discretion.

(b) **DEATH.** Automatically upon the date of death of the Employee.

(c) **CAUSE.** Immediately upon written notice by the Company to the Employee of a termination for Cause. "Cause" shall mean:

(i) the Employee's willful misconduct or gross negligence in the performance of the Employee's duties to the Company or any of its affiliates or failure to follow the lawful instruction of the Board;

(ii) the Employee's commission of, indictment for, conviction of, or pleading of guilty or *nolo contendere* to, any crime involving moral turpitude or any felony;

(iii) the Employee's performance of any act of theft, embezzlement, fraud, dishonesty or misappropriation of the property of the Company or any of its affiliates; or

(iv) the Employee's breach of any fiduciary duty owed to the Company or any of its affiliates (including, without limitation, the duty of care and the duty of loyalty).

(d) **WITHOUT CAUSE.** Upon sixty (60) days' written notice by the Company or the Employee to the other.

Except for in the event of a termination for Cause by the Company, the Employee or the Employee's estate shall be paid any unpaid stock compensation or Base Salary through the date of termination; reimbursement for any unreimbursed business expenses incurred and reimbursable in accordance herein; and all other accrued and vested payments, benefits or fringe benefits to which the Employee is entitled in accordance with the terms and conditions of the applicable compensation or benefit plan, program or arrangement of the Company.

In addition to the above, if Employee's employment is terminated by Company without Cause and Employee signs a written agreement prepared by Company that releases Company of any and all legal claims Employee may have, and that reaffirms Employee's commitment to abide by Sections 9, 10, 11 and 12 of this Agreement, as severance, Company will continue to pay Employee Employee's then-current Base Salary, in accordance with Company's usual payroll practices, for the twenty-four (24) month period following the termination date.

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2

**9. CONFIDENTIALITY.** The Company is hiring Employee and may, but is not obligated to, provide Employee with access to certain of the Company's Confidential Information. While employed by the Company and at any time thereafter, Employee shall not, either directly or indirectly, use (other than in the performance of Employee's duties to the Company) or disclose to any other firm, corporation, partnership, individual or other third party, any of the Company's Confidential Information, defined as follows: "Any trade secrets or other information regarding the business, finances or operations of the Company, or regarding any investor, customer, supplier or other business relationship of the Company, or any assets or properties of the Company, whether tangible or intangible, that has not previously been publicly disclosed by duly authorized representatives of the Company. By way of illustration, but not limitation, Confidential Information shall include investment strategies, investment plans, trade secrets, processes, formulae, ideas, inventions, improvements, know-how, techniques, drawings, designs, original writings, software programs, plans, proposals, marketing and sales plans, information regarding the relationship of the Company with any of its existing and potential investors, customers, suppliers and other business relationships, any agreements by the Company with its investors, customers, suppliers and other business relationships, financial information, cost or pricing information, blueprints, production methods or capabilities, specifications, promotional ideas, and all other concepts and information or ideas related to the present or potential business of the Company." Employee acknowledges that the Company has invested substantial time and effort in developing this Confidential Information and that this Confidential Information is not readily ascertainable by others. Employee agrees to follow all procedures that the Company may establish to protect its Confidential Information. Employee agrees not to make copies of such Confidential Information, except for the benefit of the Company or as may be expressly authorized by the Company.

**10. NONCOMPETE.** During employment with and for a period of one year after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee agrees not to directly or indirectly engage in any employment, occupation, consulting, or other business activity ("activities") that would be in competition with the Company in the business of manufacturing and producing freeze-dried fruit and vegetables for human consumption (the "Business"). During employment with and for a period of one year after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee agrees not to plan or otherwise take any preliminary steps, either alone or in concert with others, to establish or engage in the Business. The parties hereto acknowledge that the restrictions set forth in this Section 10 are fair and reasonable with respect to their duration, scope and area. If, at the time of the enforcement of this Section 10, a court holds that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances will be substituted for the stated duration, scope or area. In the event of any breach by Employee of any provisions of this Section 10, the Company will have the right, in addition to any other rights and remedies existing in its favor hereunder, to enforce its rights and the obligations of Employee under this Section 10 not only by an action for damages, but also by an action for specific performance and/or injunctive or other equitable relief in order to enforce or prevent any violations of the provisions of this Section 10. Notwithstanding anything else herein to the contrary, the Employee may own stock, securities, debt, notes or bonds of a company with publicly traded equity securities that competes with the Company if Employee is not a holder of more than two percent of any class of equity securities or more than two percent of the aggregate principal amount of any class of debt, notes or bonds of that company.

**11. NONSOLICITATION.** During employment with and for a period of two years after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee will not, either directly or indirectly, acting alone or with any other person, firm, agent, employee, officer or corporation, interfere with any contractual or other business relationships that the Company has, or solicit any current officer, director, employee, consultant, independent contractor or agent of the Company to leave the Company or to work for any business entity in direct or indirect competition with the Company.

**12. RETURN OF PROPERTY.** Employee acknowledges that all documents and materials pertaining to the business of the Company or Employee's employment with the Company are the property of the Company, even if made by Employee. Upon termination, or upon earlier request of the Company, Employee will return immediately all of the Company's property, including all such documents and materials in Employee's possession and control, and all forms of Confidential Information, as well as address lists, keys, credit cards, and any other items of value. Employee will not allow any third party to take or use any of the foregoing. Employee agrees not to remove any Company property from Company premises without the express prior written permission of a duly authorized representative of the Company. Upon termination, Employee: (1) will delete all Confidential Information from any computers Employee owns; and (2) will participate in an exit interview, if requested by the Company, for the purpose of ensuring that the Company's Confidential Information and business relationships will not be improperly jeopardized by Employee's new position or situation.

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**13. NO ASSIGNMENTS.** This Agreement is personal to each of the parties hereto. No party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto.

**14. NOTICE.** For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth (4<sup>th</sup>) business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

Claudia Goldfarb  
1918 N Olive St., Apt 3303  
Dallas, TX 75201

If to the Company:

Ken DeCubellis  
3155 Jamestown Road

**15. SECTION HEADINGS; INCONSISTENCY.** The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

**16. SEVERABILITY.** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

**17. COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**18. GOVERNING LAW; JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the choice of law provisions thereof.

**19. ATTORNEYS' FEES.** If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the substantially prevailing Party shall be entitled to recover costs of court and reasonable attorneys' fees from the other Party or parties to such action.

**20. MISCELLANEOUS.** No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement together with all exhibits hereto (if any) sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

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4

**21. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTION 409A COMPLIANCE.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Employee by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Employee is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered "nonqualified deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Employee, and (B) the date of the Employee's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 21(b)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum, and all remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Employee's right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment or benefit under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

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5

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**BLACK RIDGE OIL & GAS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**EMPLOYEE**

\_\_\_\_\_  
Claudia Goldfarb

## EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this "Agreement") is dated as of October 1, 2020 (the "Effective Date"), and is entered into by and between BLACK RIDGE OIL & GAS INC. (the "Company"), and Ira Goldfarb (the "Employee").

**WITNESSETH**

**WHEREAS**, the Company desires to employ the Employee, and the Employee desires to be employed by the Company pursuant to the terms of this Agreement, as follows:

**1. POSITION AND DUTIES.** During the Employment Term, the Employee shall serve as the Executive Chairman and Chairman of the Board of the Company. In this capacity, the Employee shall have the duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies. The Employee's principal place of employment with the Company shall be in the Dallas-Fort Worth, Texas metropolitan area, provided, that, the Employee understands and agrees that the Employee will be required to travel regularly for business purposes. The Employee shall report directly to the Board of Directors of the Company (the "Board") and shall devote all of the Employee's business time, energy, business judgment, knowledge and skill and the Employee's best efforts to the performance of the Employee's duties with the Company.

**2. EMPLOYMENT TERM.** The Company agrees to employ the Employee pursuant to the terms of this Agreement, and the Employee agrees to be so employed, for a term of five (5) years (the "Initial Term") commencing upon the Effective Date. Upon expiration of the Initial Term and on each anniversary of the Effective Date following the Initial Term, the term of this Agreement shall be automatically extended for successive one (1)-year periods (each, a "Successive Term"); provided, however, that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least thirty (30) days prior to the expiration of the Initial Term or any such Successive Term. Notwithstanding the foregoing, the Employee's employment hereunder may be earlier terminated in accordance with Section 8 hereof. The period of time between the Effective Date and the termination of the Employee's employment hereunder shall be referred to herein as the "Employment Term."

**3. COMPENSATION.** During the Employment Term, the Company agrees to pay the Employee compensation as follows:

(a) **STOCK COMPENSATION.** Beginning on the Effective Date and through December 31, 2021, the Company shall compensate the Employee through the issuance of 90,667 shares of common stock to the Employee issuable on December 31, 2024. In addition, the Employee shall be eligible for an option grant in an amount as determined by the Company's Board (or compensation committee of the Company) with a vesting schedule such that 60% shall vest on January 1, 2024 and 20% of the total grant shall vest on each of January 1, 2025 and 2026.

(b) **CASH COMPENSATION.** Beginning on January 1, 2022, the Company shall pay the Employee a base salary at an annual rate of \$330,000, payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly (the "Base Salary").

**4. ANNUAL BONUS.** Beginning on December 31, 2021, and on December 31 of each year thereafter, the Employee shall be eligible to receive an annual discretionary incentive payment (the "Annual Bonus") with respect to each calendar year during the Employment Term beginning with the 2021 calendar year, upon the attainment of one (1) or more pre-established performance goals established by the Board (or a committee thereof) in its sole discretion. The Annual Bonus will be based on a target bonus opportunity of fifty percent (50%) of the Employee's total compensation for such year. Any Annual Bonus payable hereunder shall be paid in the calendar year following the calendar year to which such bonus relates and at the same time as other annual bonuses are paid to other senior executives of the Company, if applicable, subject to the Employee's continued employment with the Company through the date of payment.

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**5. ANNUAL RAISE.** Beginning on December 31, 2022, and on December 31 of each year thereafter, the Employee shall receive a raise equal to ten percent (10%) of her Base Salary for the year then completed (each such raise, an "Annual Raise"), with such raise to be effective January 1 of the following year. Notwithstanding anything else contained herein, the Employee shall only be entitled to receive the Annual Raise for any given year if the Company's pre-tax net income for the most recently completed fiscal year is equal to or greater than one hundred thousand dollars (\$100,000).

**6. EMPLOYEE BENEFITS.** During the Employment Term, the Employee shall be entitled to participate in any employee benefit and insurance plans that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time. Further, the Employee shall be entitled to four (4) weeks of paid vacation per calendar year (as prorated for partial years) in accordance with the Company's policy on accrual and use applicable to employees as in effect from time to time.

**7. BUSINESS AND TRAVEL EXPENSES.** The Employee shall be reimbursed in accordance with the Company's expense reimbursement policy, for all reasonable out-of-pocket business expenses incurred and paid by the Employee during the Employment Term.

**8. TERMINATION.** The Employee's employment and the Employment Term shall terminate on the first of the following to occur:

(a) **DISABILITY.** Upon thirty (30) days' prior written notice by the Company to the Employee of a termination due to Disability. For purposes of this Agreement, "Disability" shall be defined as the inability of the Employee to have performed the Employee's material duties hereunder after reasonable accommodation due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including, without limitation, weekends and holidays) in any three hundred, sixty-five (365)-day period as determined by the Board in its reasonable discretion.

(b) **DEATH.** Automatically upon the date of death of the Employee.

(c) **CAUSE.** Immediately upon written notice by the Company to the Employee of a termination for Cause. "Cause" shall mean:

(i) the Employee's willful misconduct or gross negligence in the performance of the Employee's duties to the Company or any of its affiliates or failure to follow the lawful instruction of the Board;

(ii) the Employee's commission of, indictment for, conviction of, or pleading of guilty or *nolo contendere* to, any crime involving moral turpitude or any felony;

(iii) the Employee's performance of any act of theft, embezzlement, fraud, dishonesty or misappropriation of the property of the Company or any of its affiliates; or

(iv) the Employee's breach of any fiduciary duty owed to the Company or any of its affiliates (including, without limitation, the duty of care and the duty of loyalty).

(d) **WITHOUT CAUSE.** Upon sixty (60) days' written notice by the Company or the Employee to the other.

Except for in the event of a termination for Cause by the Company, the Employee or the Employee's estate shall be paid any unpaid stock compensation or Base Salary through the date of termination; reimbursement for any unreimbursed business expenses incurred and reimbursable in accordance herein; and all other accrued and vested payments, benefits or fringe benefits to which the Employee is entitled in accordance with the terms and conditions of the applicable compensation or benefit plan, program or arrangement of the Company.

In addition to the above, if Employee's employment is terminated by Company without Cause and Employee signs a written agreement prepared by Company that releases Company of any and all legal claims Employee may have, and that reaffirms Employee's commitment to abide by Sections 9, 10, 11 and 12 of this Agreement, as severance, Company will continue to pay Employee Employee's then-current Base Salary, in accordance with Company's usual payroll practices, for the twenty-four (24) month period following the termination date.

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**9. CONFIDENTIALITY.** The Company is hiring Employee and may, but is not obligated to, provide Employee with access to certain of the Company's Confidential Information. While employed by the Company and at any time thereafter, Employee shall not, either directly or indirectly, use (other than in the performance of Employee's duties to the Company) or disclose to any other firm, corporation, partnership, individual or other third party, any of the Company's Confidential Information, defined as follows: "Any trade secrets or other information regarding the business, finances or operations of the Company, or regarding any investor, customer, supplier or other business relationship of the Company, or any assets or properties of the Company, whether tangible or intangible, that has not previously been publicly disclosed by duly authorized representatives of the Company. By way of illustration, but not limitation, Confidential Information shall include investment strategies, investment plans, trade secrets, processes, formulae, ideas, inventions, improvements, know-how, techniques, drawings, designs, original writings, software programs, plans, proposals, marketing and sales plans, information regarding the relationship of the Company with any of its existing and potential investors, customers, suppliers and other business relationships, any agreements by the Company with its investors, customers, suppliers and other business relationships, financial information, cost or pricing information, blueprints, production methods or capabilities, specifications, promotional ideas, and all other concepts and information or ideas related to the present or potential business of the Company." Employee acknowledges that the Company has invested substantial time and effort in developing this Confidential Information and that this Confidential Information is not readily ascertainable by others. Employee agrees to follow all procedures that the Company may establish to protect its Confidential Information. Employee agrees not to make copies of such Confidential Information, except for the benefit of the Company or as may be expressly authorized by the Company.

**10. NONCOMPETE.** During employment with and for a period of one year after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee agrees not to directly or indirectly engage in any employment, occupation, consulting, or other business activity ("activities") that would be in competition with the Company in the business of manufacturing and producing freeze-dried fruit and vegetables for human consumption (the "Business"). During employment with and for a period of one year after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee agrees not to plan or otherwise take any preliminary steps, either alone or in concert with others, to establish or engage in the Business. The parties hereto acknowledge that the restrictions set forth in this Section 10 are fair and reasonable with respect to their duration, scope and area. If, at the time of the enforcement of this Section 10, a court holds that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances will be substituted for the stated duration, scope or area. In the event of any breach by Employee of any provisions of this Section 10, the Company will have the right, in addition to any other rights and remedies existing in its favor hereunder, to enforce its rights and the obligations of Employee under this Section 10 not only by an action for damages, but also by an action for specific performance and/or injunctive or other equitable relief in order to enforce or prevent any violations of the provisions of this Section 10. Notwithstanding anything else herein to the contrary, the Employee may own stock, securities, debt, notes or bonds of a company with publicly traded equity securities that competes with the Company if Employee is not a holder of more than two percent of any class of equity securities or more than two percent of the aggregate principal amount of any class of debt, notes or bonds of that company.

**11. NONSOLICITATION.** During employment with and for a period of two years after termination of employment with the Company (or after the date of the last payment from the Company to Employee of compensation if later), Employee will not, either directly or indirectly, acting alone or with any other person, firm, agent, employee, officer or corporation, interfere with any contractual or other business relationships that the Company has, or solicit any current officer, director, employee, consultant, independent contractor or agent of the Company to leave the Company or to work for any business entity in direct or indirect competition with the Company.

**12. RETURN OF PROPERTY.** Employee acknowledges that all documents and materials pertaining to the business of the Company or Employee's employment with the Company are the property of the Company, even if made by Employee. Upon termination, or upon earlier request of the Company, Employee will return immediately all of the Company's property, including all such documents and materials in Employee's possession and control, and all forms of Confidential Information, as well as address lists, keys, credit cards, and any other items of value. Employee will not allow any third party to take or use any of the foregoing. Employee agrees not to remove any Company property from Company premises without the express prior written permission of a duly authorized representative of the Company. Upon termination, Employee: (1) will delete all Confidential Information from any computers Employee owns; and (2) will participate in an exit interview, if requested by the Company, for the purpose of ensuring that the Company's Confidential Information and business relationships will not be improperly jeopardized by Employee's new position or situation.

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3

**13. NO ASSIGNMENTS.** This Agreement is personal to each of the parties hereto. No party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto.

**14. NOTICE.** For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth (4<sup>th</sup>) business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

Ira Goldfarb  
1918 N Olive St., Apt 3303  
Dallas, TX 75201

If to the Company:

Ken DeCubellis

**15. SECTION HEADINGS; INCONSISTENCY.** The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

**16. SEVERABILITY.** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

**17. COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**18. GOVERNING LAW; JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the choice of law provisions thereof.

**19. ATTORNEYS' FEES.** If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the substantially prevailing Party shall be entitled to recover costs of court and reasonable attorneys' fees from the other Party or parties to such action.

**20. MISCELLANEOUS.** No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement together with all exhibits hereto (if any) sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

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4

**21. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTION 409A COMPLIANCE.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Employee by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Employee is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered "nonqualified deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Employee, and (B) the date of the Employee's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 21(b)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum, and all remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Employee's right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment or benefit under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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5

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**BLACK RIDGE OIL & GAS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**EMPLOYEE**

\_\_\_\_\_  
Ira Goldfarb

**AMENDMENT TO  
EMPLOYMENT AGREEMENT**

This Amendment (this "Amendment") to that certain Employment Agreement dated October 1, 2020 (the "Agreement") by and between Black Ridge Oil & Gas, Inc. (the "Company") and Claudia Goldfarb (the "Employee") is entered into effective as of January 4, 2021 (the "Amendment Date").

WITNESSETH

**WHEREAS**, Section 3(a) of the Agreement provides, in part, for Employee's compensation to be paid partially by grant of 83,111 shares of the Company's common stock over a period of time; and

**WHEREAS**, the Company and the Employee wish to amend the payment schedule of such equity compensation as set forth below.

**NOW, THEREFORE**, in consideration of the premises, the Agreement is amended as follows:

1. The first sentence of Section 3(a) of the Agreement is hereby deleted and replaced with the following:

"Beginning on the Effective Date and through December 31, 2021, the Company shall compensate the Employee through the issuance of 5,541 shares per month of common stock of the Company to the Employee, in accordance with the Company's standard payroll procedures and shall issue in January 2021 the amounts for October through December 2020."

The remainder of Section 3(a) of the Agreement is not affected by the Amendment.

2. The remainder of the Agreement is unaffected by this Amendment, continues in full force, and is hereby ratified and affirmed as of the date hereof.
3. This Amendment may be executed in multiple counterparts, including by electronic signature, each of which shall be considered an original and all of which together will constitute one and the same instrument.

*[Certification on following page.]*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**BLACK RIDGE OIL & GAS INC.**

By: \_\_\_\_\_  
Name: Brad Burke  
Title: Chief Financial Officer

**EMPLOYEE**

\_\_\_\_\_  
Claudia Goldfarb

**AMENDMENT TO  
EMPLOYMENT AGREEMENT**

This Amendment (this "Amendment") to that certain Employment Agreement dated October 1, 2020 (the "Agreement") by and between Black Ridge Oil & Gas, Inc. (the "Company") and Ira Goldfarb (the "Employee") is entered into effective as of January 4, 2021 (the "Amendment Date").

WITNESSETH

**WHEREAS**, Section 3(a) of the Agreement provides, in part, for Employee's compensation to be paid partially by grant of 90,667 shares of the Company's common stock over a period of time; and

**WHEREAS**, the Company and the Employee wish to amend the payment schedule of such equity compensation as set forth below.

**NOW, THEREFORE**, in consideration of the premises, the Agreement is amended as follows:

1. The first sentence of Section 3(a) of the Agreement is hereby deleted and replaced with the following:

"Beginning on the Effective Date and through December 31, 2021, the Company shall compensate the Employee through the issuance of 6,044 shares per month of common stock of the Company to the Employee, in accordance with the Company's standard payroll procedures and shall issue in January 2021 the amounts for October through December 2020."

The remainder of Section 3(a) of the Agreement is not affected by the Amendment.

2. The remainder of the Agreement is unaffected by this Amendment, continues in full force, and is hereby ratified and affirmed as of the date hereof.
3. This Amendment may be executed in multiple counterparts, including by electronic signature, each of which shall be considered an original and all of which together will constitute one and the same instrument.

*[Certification on following page.]*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**BLACK RIDGE OIL & GAS INC.**

By: \_\_\_\_\_  
Name: Brad Burke  
Title: Chief Financial Officer

**EMPLOYEE**

\_\_\_\_\_  
Ira Goldfarb

**EXHIBIT 31.1**  
**SECTION 302 CERTIFICATION**

I, Claudia Goldfarb, certify that:

1. I have reviewed this Annual Report on Form 10-K of SOW GOOD 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. I am 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 us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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. I have disclosed, based on Sow Good's 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 (of 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 small business issuer's internal control over financial reporting.

Dated: March 31, 2021

By: /s/ Claudia Goldfarb  
Claudia Goldfarb, Chief Executive Officer  
(Principal Executive Officer)

**EXHIBIT 31.2**  
**SECTION 302 CERTIFICATION**

I, Brad Burke, certify that:

1. I have reviewed this Annual Report on Form 10-K of SOW GOOD 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. I am 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 us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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. I have disclosed, based on Sow Good's 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 (of 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 small business issuer's internal control over financial reporting.

Dated: March 31, 2021

By: /s/ Brad Burke  
Brad Burke, Chief Financial Officer  
(Principal Financial Officer)

**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 Annual Report of SOW GOOD INC. (the "Company") on Form 10-K for the period ending December 31, 2020 (the "Report"), I, Claudia Goldfarb, 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) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2021

By: /s/ Claudia Goldfarb  
Claudia Goldfarb, Chief Executive Officer  
(Principal Executive Officer)

This certification accompanies the Report 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 Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of SOW GOOD INC. (the "Company") on Form 10-K for the period ending December 31, 2020 (the "Report"), I, Brad Burke, Chief 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) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2021

By: /s/ Brad Burke  
Brad Burke, Chief Financial Officer  
(Principal Financial Officer)

This certification accompanies the Report 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 Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.