

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarter ended: **October 31, 2022**

OR

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

For the Transition Period from _____ to _____

Commission File Number: **001-40597**

MamaMancini’s Holdings, Inc.
(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

27-0607116
(IRS Employer ID No.)

25 Branca Road
East Rutherford, NJ 07073
(Address of principal executive offices and zip Code)

(201) 531-1212
(Registrant’s telephone number, including area code)

Securities Registered Pursuant to Section 12(g) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which registered
Common Stock, par value \$0.00001	MMMB	NASDAQ

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 past 12 months, 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☒ No ☐

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

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

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

As of December 12, 2022, there were 36,317,857 shares outstanding of the registrant’s common stock.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

MAMAMANCINI’S HOLDINGS, INC.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2022

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MamaMancini's Holdings, Inc.
Condensed Consolidated Balance Sheets

	<u>October 31, 2022</u>	<u>January 31, 2022</u>
	<u>(unaudited)</u>	
Assets:		
Current Assets:		
Cash	\$ 3,479,287	\$ 850,598
Accounts receivable, net	6,892,699	7,627,717
Inventories	3,563,959	2,890,793
Prepaid expenses	380,135	269,209
Total current assets	14,316,080	11,638,317
Property and equipment, net	3,579,437	3,678,532
Intangibles, net	1,617,693	1,984,979
Goodwill	8,633,334	8,633,334
Operating lease right of use assets, net	3,323,390	3,596,317
Deferred tax asset	350,895	448,501
Equity method investment in Chef Inspirational	1,290,464	-
Deposits	52,249	52,249
Total Assets	\$ 33,163,542	\$ 30,032,229
Liabilities and Stockholders' Equity:		
Liabilities:		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 8,065,749	\$ 6,479,140
Term loan, net of debt discount of \$48,726 and \$57,771, respectively	1,502,998	1,235,333
Operating lease liability	378,223	292,699
Finance leases payable	180,085	218,039
Promissory note – related party	839,170	759,917
Series B Preferred Shares to be issued, net	185,000	-
Total current liabilities	11,151,225	8,985,128
Line of credit	990,000	765,000
Operating lease liability – net of current	2,992,603	3,339,255
Finance leases payable – net of current	295,805	376,132
Promissory note – related party, net of current	2,250,000	2,250,000
Term loan – net of current	5,043,104	6,206,896
Total long-term liabilities	11,571,512	12,937,283
Total Liabilities	22,722,737	21,922,411
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Series A Preferred stock, \$0.00001 par value; 120,000 shares authorized; 23,400 issued as of October 31, 2022 and January 31, 2022, 0 shares outstanding as of October 31, 2022 and January 31, 2022	-	-
Series B Preferred stock, \$0.00001 par value; 200,000 shares authorized; 47,200 and 0 issued and outstanding as of October 31, 2022 and January 31, 2022	-	-
Preferred stock, \$0.00001 par value; 19,680,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.00001 par value; 250,000,000 shares authorized; 36,317,857 and 35,758,792 shares issued and outstanding as of October 31, 2022 and January 31, 2022	364	359
Additional paid in capital	22,472,793	20,587,789
Accumulated deficit	(11,882,852)	(12,328,830)
Less: Treasury stock, 230,000 shares at cost, respectively	(149,500)	(149,500)
Total Stockholders' Equity	10,440,805	8,109,818
Total Liabilities and Stockholders' Equity	\$ 33,163,542	\$ 30,032,229

See accompanying notes to the condensed consolidated financial statements

MamaMancini's Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,	
	2022	2021	2022	2021
Sales-net of slotting fees and discounts	\$ 25,693,913	\$ 10,852,682	\$ 70,370,967	\$ 33,230,666
Costs of sales	19,129,707	8,206,939	57,384,953	24,006,920
Gross profit	6,564,206	2,645,743	12,986,014	9,223,746
Operating expenses:				
Research and development	24,432	33,866	92,759	87,843
General and administrative	5,041,213	2,610,676	11,965,016	7,697,590
Total operating expenses	5,065,645	2,644,542	12,057,775	7,785,433
Income from operations	1,498,561	1,201	928,239	1,438,313
Other income (expenses)				
Interest	(183,844)	(8,731)	(447,159)	(26,710)
Amortization of debt discount	(3,015)	-	(9,670)	-
Other income	-	-	2,596	37,704
Total other income (expenses)	(186,859)	(8,731)	(454,233)	10,994
Net income (loss) before income tax provision and income from equity method investment	1,311,702	(7,530)	474,006	1,449,307
Income from equity method investment in Chef Inspirational	71,924	-	90,464	-
Income tax benefit (provision)	(285,686)	2,075	(106,079)	(391,313)
Net income (loss)	1,097,940	(5,455)	458,391	1,057,994
Less: Class B preferred dividends	(12,413)	-	(12,413)	-
Net income (loss) available to common stockholders	1,085,527	\$ (5,455)	\$ 445,978	\$ 1,057,994
Net income (loss) per common share				
– basic	\$ 0.03	\$ (0.00)	\$ 0.01	\$ 0.03
– diluted	\$ 0.03	\$ (0.00)	\$ 0.01	\$ 0.03
Weighted average common shares outstanding				
– basic	36,317,857	35,728,821	36,020,209	35,683,484
– diluted	36,614,635	35,728,821	36,348,534	36,176,949

See accompanying notes to the condensed consolidated financial statements

MamaMancini's Holdings, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

For the Period from August 1, 2022 through October 31, 2022

	<u>Series A</u>		<u>Series B</u>		<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Stockholders'</u>
	<u>Preferred Stock</u>		<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Paid-in</u>	<u>Deficit</u>	<u>Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>		
Balance, August 1, 2022	-	\$ -	-	\$ -	36,317,857	\$ 364	(230,000)	\$(149,500)	\$21,326,367	\$ (12,968,379)	\$ 8,208,852
Stock options issued for services	-	-	-	-	-	-	-	-	15,955	-	15,955
Common stock issued for services	-	-	-	-	-	-	-	-	7,671	-	7,671
Issuance of Preferred B Shares, net of issuance costs	-	-	47,200	-	-	-	-	-	1,122,800	-	1,122,800
Series B Preferred dividend	-	-	-	-	-	-	-	-	-	(12,413)	(12,413)
Net income	-	-	-	-	-	-	-	-	-	1,097,940	1,097,940
Think											
Balance, October 31, 2022	-	\$ -	47,200	\$ -	36,317,857	\$ 364	(230,000)	\$(149,500)	\$22,472,793	\$ (11,882,852)	\$ 10,440,805

For the Period from August 1, 2021 through October 31, 2021

	<u>Series A</u>		<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Stockholders'</u>
	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Paid In</u>	<u>Deficit</u>	<u>Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>		
Balance, August 1, 2021	-	\$ -	35,725,041	\$ 359	(230,000)	\$(149,500)	\$20,555,657	\$ (11,013,455)	\$ 9,393,061
Common stock issued for services	-	-	-	-	-	-	18,933	-	18,933
Stock options issued for services	-	-	-	-	-	-	748	-	748
Stock issued for the exercise of options	-	-	26,751	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	(5,455)	(5,455)
Balance, October 31, 2021	-	\$ -	35,751,792	\$ 359	(230,000)	\$(149,500)	\$20,575,338	\$ (11,018,910)	\$ 9,407,287

See accompanying notes to the condensed consolidated financial statements

MamaMancini’s Holdings, Inc.
Condensed Consolidated Statements of Changes in Stockholders’ Equity
(Unaudited)

For the Period from February 1, 2022 through October 31, 2022

	Series A		Series B		Common Stock		Treasury Stock		Additional	Accumulated	Stockholders’
	Preferred Stock		Preferred Stock		Common Stock		Treasury Stock		Paid-in	Deficit	Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital		
Balance, February 1, 2022	-	\$ -	-	\$ -	35,758,792	\$ 359	(230,000)	\$(149,500)	\$20,587,789	\$ (12,328,830)	\$ 8,109,818
Stock options issued for services	-	-	-	-	-	-	-	-	28,288	-	28,288
Common stock issued for services	-	-	-	-	-	-	-	-	7,671	-	7,671
Stock issued for the exercise of options	-	-	-	-	57,093	-	-	-	26,250	-	26,250
Stock issued for the acquisition of equity investment in Chef Inspirational	-	-	-	-	501,972	5	-	-	699,995	-	700,000
Issuance of Preferred B Shares, net of issuance costs	-	-	47,200	-	-	-	-	-	1,122,800	-	1,122,800
Series B Preferred dividend	-	-	-	-	-	-	-	-	-	(12,413)	(12,413)
Net income	-	-	-	-	-	-	-	-	-	458,391	458,391
Balance, October 31, 2022	-	\$ -	47,200	\$ -	36,317,857	\$ 364	(230,000)	\$(149,500)	\$22,472,793	\$ (11,882,852)	\$ 10,440,805

For the Period from February 1, 2021 through October 31, 2021

	Series A		Common Stock		Treasury Stock		Additional	Accumulated	Stockholders’
	Preferred Stock		Common Stock		Treasury Stock		Paid In	Deficit	Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Capital		
Balance, February 1, 2021	-	\$ -	35,603,731	\$ 357	(230,000)	\$(149,500)	\$20,535,793	\$ (12,076,904)	\$ 8,309,746
Common stock issued for services	-	-	-	-	-	-	18,933	-	18,933
Stock options issued for services	-	-	-	-	-	-	1,534	-	1,534
Stock issued for the exercise of options	-	-	148,061	2	-	-	19,078	-	19,080
Net income	-	-	-	-	-	-	-	1,057,994	1,057,994
Balance, October 31, 2021	-	\$ -	35,751,792	\$ 359	(230,000)	\$(149,500)	\$20,575,338	\$ (11,018,910)	\$ 9,407,287

MamaMancini's Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended October 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 458,391	\$ 1,057,994
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	678,710	572,238
Amortization of debt discount	9,670	-
Amortization of right of use assets	272,927	163,141
Amortization of intangibles	367,286	-
Share-based compensation	35,959	20,467
Change in deferred tax asset	97,606	383,313
Income from equity method investment in Chef Inspirational	(90,464)	-
Changes in operating assets and liabilities:		
Accounts receivable	735,018	12,445
Inventories	(673,166)	(419,527)
Prepaid expenses	(111,551)	(75,184)
Security deposits	-	(2,979)
Accounts payable and accrued expenses	1,664,762	562,095
Operating lease liability	(261,128)	(141,206)
Net Cash Provided by Operating Activities	3,184,020	2,132,797
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for fixed assets	(507,547)	(657,607)
Cash paid for investment in Chef Inspirational	(500,000)	-
Net Cash (Used in) Investing Activities	(1,007,547)	(657,607)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds in advance of preferred stock offering	185,000	-
Proceeds from preferred stock offering	1,180,000	-
Payment of stock offering costs	(57,200)	-
Repayment of term loan	(905,172)	-
Borrowings of line of credit, net	225,000	-
Repayment of finance lease obligations	(190,349)	(144,910)
Payment of Preferred B dividends	(11,313)	-
Proceeds from exercise of options	26,250	19,080
Net Cash Provided by (Used in) Financing Activities	452,216	(125,830)
Net Increase in Cash	2,628,689	1,349,360
Cash - Beginning of Period	850,598	3,190,560
Cash - End of Period	\$ 3,479,287	\$ 4,539,920
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the Period for:		
Income taxes	\$ 9,170	\$ 6,830
Interest	\$ 369,400	\$ 28,748
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Finance lease asset additions	\$ 72,068	\$ 128,050
Operating lease asset additions	\$ -	\$ 347,585
Non-cash consideration paid in common stock for equity investment in Chef Inspirational	\$ 700,000	\$ -
Preferred B accrued dividends	\$ 1,100	\$ -

See accompanying notes to the condensed consolidated financial statements

MamaMancini’s Holdings, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
October 31, 2022

Note 1 - Nature of Operations and Basis of Presentation

Nature of Operations

MamaMancini’s Holdings, Inc. (the “Company”), (formerly known as Mascot Properties, Inc.) was organized on July 22, 2009 as a Nevada corporation. The Company has a year-end of January 31.

The Company is a marketer, manufacturer and distributor of beef meatballs with sauce, turkey meatballs with sauce, beef meat loaf, sausage & peppers, chicken parmesan and other similar meats and sauces. In addition, the Company continues to diversify its product line by introducing new products such as ready to serve dinners, single-size Pasta Bowls, bulk deli, packaged refrigerated and frozen products. The Company’s products were submitted to the United States Department of Agriculture (the “USDA”) and approved as all natural. The USDA defines all natural as a product that contains no artificial ingredients, coloring ingredients or chemical preservatives and is minimally processed. The Company’s customers are located throughout the United States, with large concentrations in the Northeast and Southeast.

On December 29, 2021, the Company made two acquisitions which expand the Company’s core product lines, and access to specific markets. T&L Creative Salads, Inc. (“T&L”) and Olive Branch, LLC (“OB”), are related premier gourmet food manufacturers based in New York. T&L offers a full line of foods for retail food chains and club stores, delis, bagel stores, caterers and provision distributors. T&L uses high-quality meats, seafood and vegetables, prepared to meet the standards set forth by the USDA and the FDA. Olive Branch started operations six years ago as a separate company to concentrate on selling olives, olive mixes, and savory products to a limited number of large retail customers, primarily in pre-packaged containers.

On June 28, 2022, the Company acquired a 24% minority interest in Chef Inspirational Foods, Inc. (“CIF”), a leading developer, innovator, marketer and sales company selling fresh and frozen prepared foods, for an investment of \$1.2 million, at an implied enterprise value for CIF of \$5 million. The investment consists of \$500,000 in cash and \$700,000 in the Company’s common stock. The Company also was granted the option to purchase the remaining seventy-six percent (76%) interest in CIF within one year of June 28, 2022. The option purchase price is an additional \$3.8 million, of which \$3.5 million would be paid in cash and \$300,000 in common stock, which would be paid within a two-year period from June 28, 2022. The acquisition of the interest in CIF is being accounted for under the equity method of accounting for investments.

The following presents the unaudited results of operations for the period June 28, 2022 (acquisition date) through October 31, 2022 of CIF.

	For the Period June 28, 2022 through October 31, 2022
Revenues	\$ 11,628,434
Net income	\$ 370,167

Note 2 – Business Acquisitions

The Company accounts for acquisitions in accordance with FASB ASC 805, “*Business Combinations*” (“ASC 805”), and goodwill in accordance with ASC 350, “*Intangibles — Goodwill and Other*” (“ASC 350”). The excess of the purchase price over the estimated fair value of net assets acquired in a business combination is recorded as goodwill. ASC 805 specifies criteria to be used in determining whether intangible assets acquired in a business combination must be recognized and reported separately from goodwill. Amounts assigned to goodwill and other identifiable intangible assets are based on independent appraisals or internal estimates.

On December 23, 2021, the Company announced the signing of definitive agreements for two acquisitions – T&L and OB, which are gourmet food manufacturers based in New York. The closing of these transactions was completed on December 29, 2021. The Company acquired T&L and OB for a combined purchase price of \$14.0 million, including \$11.0 million in cash at closing and \$3.0 million in a promissory note. The promissory note requires annual principal payments of \$750,000 payable on each anniversary of the closing, together with accrued interest at a rate of three and one-half (3.5%) per annum. The holder of the Note is T&L Acquisition Corp., a wholly-owned subsidiary of the Company, is guaranteed by the Company. The holder has a right of set-off against the balance due for any matters which are the subject of an indemnification under the transaction agreements. The cash payment was funded through cash on hand and a \$7.5 million long-term acquisition note from M&T Bank (see below). Anthony Morello, Jr. will remain as CEO of T&L Acquisition Corp.

On December 29, 2021, the Company entered into a Multiple Disbursement Term Loan (“Loan”) with M&T Bank for the original principal amount of \$7,500,000 payable in monthly installments over a 60-month amortization period. The Maturity Date of the Loan is January 17, 2027. Interest is payable on the unpaid principal amount of the Loan at a variable rate per annum based on the Company’s Senior Funded Debt/EBITDA Ratio (as defined in the Credit Agreement between Borrower and Bank) established with respect to the Borrower as of the date of any advance under the Loan as follows: if the Senior Funded Debt/EBITDA ratio is: (i) greater than 2.25 but less than or equal to 2.50, 4.12 percentage point(s) above one-day (i.e., overnight) SOFR (as defined); (ii) greater than 1.50 but less than or equal to 2.25, 3.62 percentage points above one-day SOFR; or (iii) 1.50 or less, 3.12 percentage points above one-day SOFR. In all events set forth at subsections (i) through (iii) in the preceding sentence, if SOFR shall at any time be less than 0.25%, one-day SOFR shall be deemed to be 0.25% and the foregoing margins shall be applied to the SOFR Index Floor.

All of the proceeds of the Loan were utilized to fund the acquisition of T&L and OB.

For the three months ended October 31, 2022, T&L had revenue and net income before taxes of approximately \$12.6 million and approximately \$1.7 million, respectively. For the three months ended October 31, 2022, OB had revenue and net income before taxes of approximately \$1.8 million and approximately \$257,100, respectively. For the nine months ended October 31, 2022, T&L had revenue and net income before taxes of approximately \$30.7 million and approximately \$1.7 million respectively. For the nine months ended October 31, 2022, OB had revenue and net income before taxes of approximately \$5.0 million and approximately \$305,200, respectively. These amounts are included in the condensed statements of operations for the three and nine months ended October 31, 2022.

The following presents the unaudited pro-forma combined results of operations for the three and nine months ended October 31, 2021 of T&L and OB with the Company as if the entities were combined on February 1, 2021.

	For the Three Months Ended October 31, 2021	For the Nine Months Ended October 31, 2021
Revenues	\$ 18,737,715	\$ 48,228,884
Net income	\$ 281,716	\$ 1,469,571
Net income per share - basic	\$ 0.01	\$ 0.04
Weighted average number of shares outstanding	35,728,821	35,683,484

The unaudited pro-forma results of operations are presented for information purposes only. The unaudited pro-forma results of operations are not intended to present actual results that would have been attained had the acquisitions been completed as of February 1, 2021 or to project potential operating results as of any future date or for any future periods.

ASC 805 defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date the acquirer achieves control. ASC 805 requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquirer (if any) at the acquisition date, measured at their fair values as of that date. ASC 805 also requires the acquirer to recognize contingent consideration (if any) at the acquisition date, measured at its fair value at that date.

The following summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

Assets:	
Cash	\$ 591,458
Accounts receivable	2,715,515
Inventories	1,221,055
Fixed assets, net	503,907
Intangibles	10,574,334
Total identified assets acquired	<u>\$ 15,606,269</u>
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 1,606,269</u>
Total liabilities assumed	<u>1,606,269</u>
Total net assets acquired	<u>\$ 14,000,000</u>

The acquisition method of accounting requires extensive use of estimates and judgments to allocate the considerations transferred to the identifiable tangible and intangible assets acquired and liabilities assumed. The amounts used in computing the purchase price differ from the amounts in the purchase agreements due to fair value measurement conventions prescribed by accounting standards.

The intangible assets acquired include the trademarks and customer relationships.

The allocation of purchase price is still deemed to be a preliminary allocation because of potential changes in the valuation of intangibles and the acquired fixed assets.

The goodwill represents the assembled workforce, acquired capabilities, and future economic benefits resulting from the acquisition. All of the goodwill is deductible for tax purposes.

Note 3 - Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“*US GAAP*”) and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The unaudited interim financial information furnished herein reflects all adjustments, consisting solely of normal recurring items, which in the opinion of management are necessary to fairly state the financial position of the Company and the results of its operations for the periods presented. This report should be read in conjunction with the Company’s consolidated financial statements and notes thereto included in the Company’s Form 10-K for the year ended January 31, 2022 filed on May 27, 2022. The Company assumes that the users of the interim financial information herein have read or have access to the audited financial statements for the preceding fiscal year and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The condensed consolidated balance sheet at January 31, 2022 was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The results of operations for the interim periods presented are not necessarily indicative of results for the year ending January 31, 2023.

Principles of Consolidation

The condensed consolidated financial statements include all accounts of the entities as of the reporting period ending dates and for the reporting periods. All inter-company balances and transactions have been eliminated.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Such estimates and assumptions impact, among others, the following: allowance for doubtful accounts, inventory obsolescence, purchase price accounting and the fair value of share-based payments.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the condensed consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from our estimates.

Risks and Uncertainties

The Company operates in an industry that is subject to intense competition and change in consumer demand. The Company’s operations are subject to significant risk and uncertainties including financial and operational risks including the potential risk of business failure.

The Company has experienced, and in the future expects to continue to experience, variability in sales and earnings. The factors expected to contribute to this variability include, among others, (i) the cyclical nature of the grocery industry, (ii) general economic conditions in the various local markets in which the Company competes, including a potential general downturn in the economy, and (iii) the volatility of prices pertaining to food and beverages in connection with the Company’s distribution of the product. These factors, among others, make it difficult to project the Company’s operating results on a consistent basis.

Cash

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company held no cash equivalents at October 31, 2022 and January 31, 2022.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At October 31, 2022, the Company had approximately \$2.8 million in cash balances that exceed federally insured limits.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company generally does not require collateral to support customer receivables. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. The Company determines if receivables are past due based on days outstanding, and amounts are written off when determined to be uncollectible by management. As of October 31, 2022 and January 31, 2022, the reserve for uncollectible accounts was \$246,678 and \$2,000, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) valuation method. Inventory was comprised of the following at October 31, 2022 and January 31, 2022:

	October 31, 2022	January 31, 2022
Raw Materials	\$ 1,840,274	\$ 1,854,156
Work in Process	135,206	244,974
Finished goods	1,588,479	791,663
	<u>\$ 3,563,959</u>	<u>\$ 2,890,793</u>

Property and Equipment

Property and equipment are recorded at cost net of depreciation. Depreciation expense is computed using straight-line methods over the estimated useful lives.

Asset lives for financial statement reporting of depreciation are:

Machinery and equipment	2-7 years
Furniture and fixtures	3 years
Leasehold improvements	*

(*) Amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever period is shorter.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the condensed consolidated statements of operations.

Intangible Assets

Software

The Company accounts for acquired internal-use software licenses and certain costs within the scope of ASC 350-40, *Intangibles - Goodwill and Other - Internal-Use Software* as intangible assets. The Company capitalized \$87,639 of costs incurred in the year ended January 31, 2021 to implement cloud computing arrangements. Acquired internal-use software licenses are amortized over the term of the arrangement on a straight-line basis to the line item within the condensed consolidated statements of operations that reflects the nature of the license. In November 2021, the Company finalized the implementation process and began to use the software license. During the three and nine months ended October 31, 2022, the Company recorded amortization of \$35,410 and \$66,512, respectively.

Additionally, the Company evaluates its accounting for fees paid in an agreement to determine whether it includes a license to internal-use software. If the agreement includes a software license, the Company accounts for the software license as an intangible asset. Acquired software licenses are recognized and measured at cost, which includes the present value of the license obligation if the license is to be paid for over time. If the agreement does not include a software license, the Company accounts for the arrangement as a service contract (hosting arrangement) and hosting costs are generally expensed as incurred.

Goodwill

The Company does not amortize goodwill or indefinite-lived intangible assets. The Company tests goodwill for impairment annually as of January 31 or if an event occurs or circumstances change that indicate that the fair value of the entity, or the reporting unit, may be below its carrying amount (a “triggering event”). Whenever events or circumstances change, entities have the option to first make a qualitative evaluation about the likelihood of goodwill impairment. If impairment is deemed more likely than not, management would perform the two-step goodwill impairment test. Otherwise, the two-step impairment test is not required. In assessing the qualitative factors, the Company assessed relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. The identification of the relevant events and circumstances and how these may impact a reporting unit’s fair value or carrying amount involve significant judgements and assumptions. The judgement and assumptions include the identification of macroeconomic conditions, industry and market considerations, overall financial performance, Company specific events and share price trends, an assessment of whether each relevant factor will impact the impairment test positively or negatively, and the magnitude of an such impact.

If a quantitative assessment is performed, a reporting unit’s fair value is compared to its carrying value. A reporting unit’s fair value is determined based upon consideration of various valuation methodologies, including the income approach, which utilizes projected future cash flows discounted at rates commensurate with the risks involved and multiples of current and future earnings. If the fair value of a reporting unit is less than its carrying amount, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

As of October 31, 2022, there were no impairment losses recognized for goodwill.

Other Intangibles

Other intangibles consist of trademarks, trade names and customer relationships. Intangible asset lives for financial statement reporting of amortization are:

Tradenames and trademarks	3 years
Customer relationships	4 - 5 years

During the three and nine months ended October 31, 2022, the Company recognized amortization of \$101,360 and \$300,774 related to other intangible assets, respectively.

Fair Value of Financial Instruments

For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amount of the Company's short-term financial instruments approximates fair value due to the relatively short period to maturity for these instruments.

Research and Development

Research and development is expensed as incurred. Research and development expenses for the three months ended October 31, 2022 and 2021 were \$24,432 and \$33,866, respectively. Research and development expenses for the nine months ended October 31, 2022 and 2021 were \$92,759 and \$87,843, respectively.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Topic 606, *Revenue from Contracts with Customers (Topic 606)*.

The Company's sales predominantly are generated from the sale of finished products to customers, contain a single performance obligation and revenue is recognized at a single point in time when ownership, risks and rewards transfer. Typically, this occurs when the goods are shipped to the customer. Revenues are recognized in an amount that reflects the net consideration the Company expects to receive in exchange for the goods. The Company reports all amounts billed to a customer in a sale transaction as revenue. The Company elected to treat shipping and handling activities as fulfillment activities, and the related costs are recorded as selling expenses in general and administrative expenses on the condensed consolidated statements of operations.

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

Payment terms in the Company's invoices are based on the billing schedule established in contracts and purchase orders with customers. The Company recognizes the related trade receivable when the goods are shipped.

Expenses such as slotting fees, sales discounts, and allowances are accounted for as a direct reduction of revenues as follows:

	For the Three Months Ended	
	October 31, 2022	October 31, 2021
Gross Sales	\$ 26,044,732	\$ 11,165,524
Less: Slotting, Discounts, Allowances	350,819	312,842
Net Sales	<u>\$ 25,693,913</u>	<u>\$ 10,852,682</u>

	For the Nine Months Ended	
	October 31, 2022	October 31, 2021
Gross Sales	\$ 72,025,181	\$ 34,373,119
Less: Slotting, Discounts, Allowances	1,654,214	1,142,453
Net Sales	<u>\$ 70,370,967</u>	<u>\$ 33,230,666</u>

Disaggregation of Revenue from Contracts with Customers. The following table disaggregates gross revenue by significant geographic area for the three months ended October 31, 2022 and 2021:

	For the Three Months Ended	
	October 31, 2022	October 31, 2021
Northeast	\$ 10,326,572	\$ 3,542,894
Southeast	7,396,600	4,338,967
Midwest	3,449,245	1,155,233
West	2,452,946	952,910
Southwest	2,419,369	1,175,520
Total revenue	<u>\$ 26,044,732</u>	<u>\$ 11,165,524</u>

The following table disaggregates gross revenue by significant geographic area for the nine months ended October 31, 2022 and 2021:

	For the Nine Months Ended	
	October 31, 2022	October 31, 2021
Northeast	\$ 29,453,025	\$ 10,270,568
Southeast	19,549,838	13,220,822
Midwest	9,670,751	3,515,194
West	6,931,914	3,818,925
Southwest	6,419,653	3,547,610
Total revenue	<u>\$ 72,025,181</u>	<u>\$ 34,373,119</u>

Cost of Sales

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

Advertising

Costs incurred for producing and communicating advertising for the Company are charged to operations as incurred. Producing and communicating advertising expenses for the three months ended October 31, 2022 and 2021 were \$99,736 and \$196,495 respectively. Producing and communicating advertising expenses for the nine months ended October 31, 2022 and 2021 were \$400,655 and \$441,556, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic 718, “*Compensation – Stock Compensation*” (“*ASC 718*”), which establishes financial accounting and reporting standards for stock-based employee compensation. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. The Company accounts for compensation cost for stock option plans in accordance with ASC 718.

The Company recognizes all forms of share-based payments, including stock option grants, warrants and restricted stock grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest.

Share-based payments, excluding restricted stock, are valued using a Black-Scholes option pricing model. Grants of share-based payment awards issued to non-employees for services rendered have been recorded at the fair value of the share-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Stock-based compensation expenses are included in cost of goods sold or selling, general and administrative expenses, depending on the nature of the services provided, in the condensed consolidated statements of operations. Share-based payments issued to placement agents are classified as a direct cost of a stock offering and are recorded as a reduction in additional paid in capital.

For the three months ended October 31, 2022 and 2021, share-based compensation amounted to \$23,626 and \$19,681, respectively.

For the nine months ended October 31, 2022 and 2021, share-based compensation amounted to \$35,959 and \$20,467, respectively.

For the nine months ended October 31, 2022 and 2021, when computing fair value of share-based payments, the Company has considered the following variables:

	October 31, 2022	October 31, 2021
Risk-free interest rate	2.77%	N/A
Expected life of grants	6.5 years	N/A
Expected volatility of underlying stock	85.74%	N/A
Dividends	%	N/A

The expected option term is computed using the “simplified” method as permitted under the provisions of ASC 718-10-S99. The Company uses the simplified method to calculate expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

The expected stock price volatility for the Company’s stock options was estimated using the historical volatilities of the Company’s common stock. Risk free interest rates were obtained from U.S. Treasury rates for the applicable periods.

Earnings (Loss) Per Share

Earnings per share (“EPS”) is the amount of earnings attributable to each share of common stock. For convenience, the term is used to refer to either earnings or loss per share. EPS is computed pursuant to Section 260-10-45 of the FASB Accounting Standards Codification. Pursuant to ASC Paragraphs 260-10-45-10 through 260-10-45-16, basic EPS shall be computed by dividing income available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Income available to common stockholders shall be computed by deducting both the dividends declared in the period on preferred stock (whether or not paid) and the dividends accumulated for the period on cumulative preferred stock (whether or not earned) from income from continuing operations (if that amount appears in the income statement) and also from net income. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share.

	For the Three Months Ended	
	October 31, 2022	October 31, 2021
Numerator:		
Net income (loss) attributable to common stockholders	\$ 1,085,527	(5,455)
Effect of dilutive securities:	—	—
Diluted net income (loss)	\$ 1,085,527	\$ (5,455)
Denominator:		
Weighted average common shares outstanding - basic	36,317,857	35,728,821
Dilutive securities (a):		
Series B Preferred	-	-
Options	296,778	-
Warrants	-	-
Weighted average common shares outstanding and assumed conversion – diluted	36,614,635	35,728,821
Basic net income (loss) per common share	\$ 0.03	\$ (0.00)
Diluted net income (loss) per common share	\$ 0.03	\$ (0.00)
(a) - Anti-dilutive securities excluded:		
Series B Preferred shares	708,000	-
Options	30,000	-
Warrants	11,800	-

	For the Nine Months Ended	
	October 31, 2022	October 31, 2021
Numerator:		
Net income attributable to common stockholders	\$ 445,978	1,057,994
Effect of dilutive securities:	—	—
Diluted net income	\$ 445,978	\$ 1,057,994
Denominator:		
Weighted average common shares outstanding - basic	36,020,209	35,683,484
Dilutive securities (a):		
Series B Preferred	-	-
Options	328,324	493,465
Warrants	-	-
Weighted average common shares outstanding and assumed conversion – diluted	36,348,534	36,176,949
Basic net income per common share	\$ 0.01	\$ 0.03
Diluted net income per common share	\$ 0.01	\$ 0.03
(a) - Anti-dilutive securities excluded:		
Series B Preferred shares	708,000	-
Options	30,000	-
Warrants	11,800	-

Income Taxes

Income taxes are provided in accordance with ASC 740, “*Accounting for Income Taxes*”. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards. Deferred tax expense (benefit) results from the net change during the period of deferred tax assets and liabilities.

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. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. As of October 31, 2022 and January 31, 2022, the Company recognized a deferred tax asset of \$350,895 and \$448,501, respectively, which is included in other long-term assets on the condensed consolidated balance sheets. The Company regularly evaluates the need for a valuation allowance related to the deferred tax asset.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported income, total assets, or stockholders’ equity as previously reported.

Recent Accounting Pronouncements

In May 2021, the FASB issued accounting standards update ASU 2021-04, “*Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*”, to clarify and reduce diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this ASU are effective for public and nonpublic entities for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2021. Early adoption is permitted, including adoption in an interim period. The Company adopted the new standard on February 1, 2022 and the adoption of the new standard did not have a significant impact on the Company’s condensed consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), which simplifies an issuer’s accounting for convertible instruments by reducing the number of accounting models that require separate accounting for embedded conversion features. ASU 2020-06 also simplifies the settlement assessment that entities are required to perform to determine whether a contract qualifies for equity classification and makes targeted improvements to the disclosures for convertible instruments and earnings-per-share (EPS) guidance. This update will be effective for the Company’s fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Entities can elect to adopt the new guidance through either a modified retrospective method of transition or a fully retrospective method of transition. The Company is currently evaluating the impact of the pending adoption of the new standard on its financial statements and intends to adopt the standard as of January 1, 2024.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying condensed consolidated financial statements.

Note 4 - Property and Equipment:

Property and equipment on October 31, 2022 and January 31, 2022 are as follows:

	October 31, 2022	January 31, 2022
Machinery and Equipment	\$ 5,311,531	\$ 4,934,855
Furniture and Fixtures	281,781	233,615
Leasehold Improvements	3,473,116	3,346,610
	9,066,428	8,515,080
Less: Accumulated Depreciation	5,486,991	4,836,548
	\$ 3,579,437	\$ 3,678,532

Depreciation expense charged to income for the three months ended October 31, 2022 and 2021 amounted to \$277,584 and \$145,506, respectively. Depreciation expense charged to income for the nine months ended October 31, 2022 and 2021 amounted to \$678,710 and \$572,238, respectively.

Note 5 – Intangibles, net

Intangibles, net consisted of the following at October 31, 2022:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Life
Software	\$ 87,639	\$ (73,815)	\$ 13,824	0.06
Customer relationships	1,862,000	(315,054)	1,546,946	4.13
Tradename and trademarks	79,000	(22,077)	56,923	2.16
	\$ 2,028,639	\$ (410,946)	\$ 1,617,693	

Intangibles, net consisted of the following at January 31, 2022:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Life
Software	\$ 87,639	\$ (7,303)	\$ 80,336	2.91
Customer relationships	1,862,000	(33,976)	1,828,024	4.87
Tradename and trademarks	79,000	(2,381)	76,619	2.91
	\$ 2,028,639	\$ (43,660)	\$ 1,984,979	

Amortization expense for the three and nine months ended October 31, 2022 was \$137,131 and \$367,286, respectively.

We expect the estimated aggregate amortization expense for each of the five succeeding fiscal years to be as follows:

2023 (remaining)	\$ 115,184
2024	402,133
2025	400,782
2026	374,216
2027	325,378
	\$ 1,617,693

Note 6 - Related Party Transactions

WWS, Inc.

Alfred D’Agostino, a director of the Company, is an affiliate of WWS, Inc.

For the three months ended October 31, 2022 and 2021, the Company recorded \$12,000 in commission expense from WWS, Inc. generated sales. For the nine months ended October 31, 2022 and 2021, the Company recorded \$36,000 in commission expense from WWS, Inc. generated sales.

Promissory Note – Related Party

Upon consummation of the acquisition of T&L, the Company executed a \$3,000,000 promissory note with the sellers. The promissory note requires annual principal payments of \$750,000 payable on each anniversary of the closing, together with accrued interest at a rate of three and one-half (3.5%) per annum. As of October 31, 2022 and January 31, 2022, the outstanding balance under the note including accrued interest was \$3,089,170 and \$3,009,917, respectively. Interest expense related to this note was \$25,897 and \$79,253 for the three and nine months ended October 31, 2022, respectively. As of October 31, 2022 and January 31, 2022, accrued interest was \$89,170 and \$9,917, respectively.

Lease – Related Party

The Company leases a fully contained facility in Farmingdale, NY from 148 Allen Blvd LLC for production and distribution of T&L Creative Salads and Olive Branch products. 148 Allen Blvd LLC is owned by Anthony Morello, Jr., CEO of T&L Acquisition Corp., a 100% owned subsidiary of the Company. This lease term is through November 30, 2031 with the option to extend the lease for two additional ten-year terms with base rent of \$20,200 per month through December 31, 2026, increasing after that date to \$23,567 through the end of the initial lease term. The exercise of optional renewal is uncertain and therefore excluded from the calculation of the right of use asset. Rent expense pursuant to the lease for the three and nine months ended October 31, 2022 was \$65,608 and \$196,824, respectively.

Chef Inspirational Foods, Inc.

As noted above in Note 1, the Company acquired a 24% minority interest in Chef Inspirational Foods, Inc. (“CIF”). During the three and nine months ended October 31, 2022, T&L recorded sales of \$5,388,611 and \$7,339,502 with CIF, respectively, of which \$1,258,015 was outstanding and included in accounts receivable on the accompanying condensed consolidated balance sheets at October 31, 2022. During the three and nine months ended October 31, 2022, OB recorded commission expense of \$75,465 and \$80,565 based on its transactions with CIF, respectively, of which \$53,392 was due to CIF and is included in accounts payable and accrued expenses on the accompanying condensed consolidated balance sheets at October 31, 2022.

Other Related Party Transactions

During the nine months ended October 31, 2022, the members of the board of directors and the CFO exercised 130,000 options at an average exercise price of \$1.03 per share in exchange for 57,093 shares of common stock. During the nine months ended October 31, 2021, six employees exercised 200,000 options with an average exercise price of \$0.81 in exchange for 148,061 shares of common stock.

Note 7 - Loan and Security Agreement

M&T Bank

Effective, January 4, 2019, the Company obtained a \$3.5 million working capital line of credit with M&T Bank at LIBOR plus four points with a two-year expiration. On January 29, 2020, the facility was amended to increase the total available balance to \$4.0 million as well as extend the maturity date to June 30, 2022. On June 11, 2021, the line was amended to increase the available borrowings to \$4.5 million and extended the maturity date to June 30, 2023. On October 26, 2022, the line was amended to increase the available borrowings to \$5.5 million and extended the maturity date to June 30, 2024, interest is payable on the unpaid principal amount of the Loan at a variable rate per annum based on the Company’s Senior Funded Debt/EBITDA Ratio (as defined in the Credit Agreement between Borrower and Bank) established with respect to the Borrower as of the date of any advance under the Loan as follows: if the Senior Funded Debt/EBITDA ratio is: (i) greater than 2.25 but less than or equal to 2.50, 4.12 percentage point(s) above one-day (i.e., overnight) SOFR (as defined); (ii) greater than 1.50 but less than or equal to 2.25, 3.62 percentage points above one-day SOFR; or (iii) 1.50 or less, 3.12 percentage points above one-day SOFR. In all events set forth at subsections (i) through (iii) in the preceding sentence, if SOFR shall at any time be less than 0.25%, one-day SOFR shall be deemed to be 0.25% and the foregoing margins shall be applied to the SOFR Index Floor. As part of the extension in June 2021 the Company incurred financing fees of \$5,000. These fees are recorded as deferred financing fees and are included in prepaid expenses and other current assets on the balance sheet. These fees are amortized over the remaining life of the line of credit. As of October 31, 2022 and January 31, 2022, there were unamortized fees of \$2,917 and \$3,542, respectively. The facility is supported by a first priority security interest in all of the Company’s business assets and is further subject to various affirmative and negative financial covenants. The Company was in compliance with the covenants as of October 31, 2022. The covenants were waived by the bank as of January 31, 2022. Advances under the line of credit are limited to eighty percent (80%) of eligible accounts receivable (which is subject to an agreed limitation and is further subject to certain asset concentration provisions) and fifty percent (50%) of eligible inventory (which is subject to an agreed dollar limitation). All advances under the line of credit are due upon maturity. The outstanding balance on the line of credit was \$990,000 and \$765,000 as of October 31, 2022 and January 31, 2022, respectively. During the three months ended October 31, 2022 and 2021, the Company incurred interest of \$33,760 and \$0 to M&T Bank for the line of credit agreement, respectively. During the nine months ended October 31, 2022 and 2021, the Company incurred interest of \$79,732 and \$0 to M&T Bank for the line of credit agreement, respectively.

As discussed above in Note 2, on December 29, 2021, the Company entered into a loan with M&T Bank for the original principal amount of \$7,500,000 payable in monthly installments over a 60-month amortization period (the “Acquisition Note”). The Maturity Date of the Acquisition Note is January 17, 2027. Interest is payable on the unpaid Principal Amount of the Acquisition Note at a variable rate per annum based on the Company’s Senior Funded Debt/EBITDA Ratio (as defined in the Credit Agreement between Borrower and Bank) established with respect to the Borrower as of the date of any advance under the Acquisition Note as follows: if the Senior Funded Debt/EBITDA ratio is: (i) greater than 2.00 but less than or equal to 2.25, 3.87 percentage point(s) above one-day (i.e., overnight) applicable Variable Loan Rate (as defined in the agreement); (ii) greater than 1.50 but less than or equal to 2.25, 3.37 percentage points above Variable Loan Rate; or (iii) 1.50 or less, 2.87 percentage points above applicable Variable Loan Rate. In all events set forth at subsections (i) through (iii) in the preceding sentence, if SOFR shall at any time be less than 0.25%, one-day SOFR shall be deemed to be 0.00% and the foregoing margins shall be applied to the Variable Loan Rates. The Company recorded a debt discount of \$58,750 in relation to the debt. For the three and nine months ended October 31, 2022, the Company recorded \$3,015 and \$9,045 in accretion of the debt discount, respectively. As of October 31, 2022, the outstanding balance and unamortized discount of the Acquisition Note was \$6,594,828 and \$48,726, respectively. As of January 31, 2022, the outstanding balance and unamortized discount of the Acquisition Note was \$7,500,000 and \$57,771, respectively. During the three and nine months ended October 31, 2022, the Company incurred interest of \$114,408 and \$233,572 for the Acquisition Note, respectively.

Note 8 - Concentrations

Revenues

During the three months ended October 31, 2022 and 2021 the Company’s concentration of revenue is as follows:

	For the Three Months	
	Ended	
	October 31, 2022	October 31, 2021
Customer		
A	28%	*%
B	13%	23%
C	8%	13%
D	7%	*%
E	5%	29%

Notes:

* % - Not a customer during the period

A - These amounts are sales from Chef Inspiration Foods, a related party.

For the three months ended October 31, 2022, the largest 3 customers represent 28%, 13% and 8% totaling 49% of gross sales with the largest 5 customers representing 61% of gross sales in the same period. For the three months ended October 31, 2021, the three largest customers represented 29%, 23% and 13% totaling 65% of gross sales.

During the nine months ended October 31, 2022 and 2021 the Company’s concentration of revenue is as follows:

	For the Nine	
	Months Ended	
	October 31, 2022	October 31, 2021
Customer		
A	26%	*%
B	13%	20%
C	10%	32%
D	7%	*%
E	6%	11%

Notes:

* % - Not a customer during the period

A - These amounts are sales from Chef Inspiration Foods, a related party.

For the nine months ended October 31, 2022, the largest 3 customers represent 26%, 13% and 10% of gross sales with the largest 5 customers representing 62% of gross sales in the same period. For the nine months ended October 31, 2021, the three largest customers represented 31%, 22% and 11% totaling 64% of gross sales.

As of October 31, 2022, five customers represented approximately 18%, 13%, 13%, 4% and 6% totaling 54% of total gross outstanding receivables, respectively. As of October 31, 2021, these three customers represented approximately 26%, 17% and 14% of total gross outstanding receivables, respectively.

Note 9 - Stockholders' Equity

Series B Preferred

The Company has designated 200,000 shares of preferred stock, \$0.00001 par value per share, for each of the Series B Preferred. The holders of the Series B Preferred Stock shall be entitled to receive, upon liquidation, dissolution or winding up of the Company, the amount of cash, securities or other property to which such holder would be entitled to receive with respect to such shares of Series B Preferred Stock if such shares had been converted to common stock immediately prior to such liquidation.

Holders of the Series B Preferred Stock are entitled to receive cumulative cash dividends at an annual rate of eight percent (8%). Holders of the Series B Preferred Stock shall have no voting rights. Each share of Series B Preferred Stock shall be convertible, at the option of the holder, into shares of common stock at a rate of 1 share of Series B Preferred Stock into 15 shares of common stock. During the three and nine months ended October 31, 2022, the Company declared dividends of \$12,413, of which the Company paid \$11,313.

On September 13, 2022, the Company closed the first round of the Series B Preferred Stock offering with the sale of 47,200 shares, raising gross proceeds of \$1,180,000.

Restricted Stock Units

During the nine months ended October 31, 2022, the Company awarded the CEO a grant of 147,059 restricted stock units ("RSUs") with a grant date fair value of \$200,000. The RSUs will be expensed over the requisite service period. The terms of the RSUs include vesting provisions based solely on continued service. If the service criteria are satisfied, the RSUs will vest during September 2023, September 2024, September 2025 and September 2026. As of October 31, 2022, there were 147,059 unvested shares.

During the three and nine months ended October 31, 2022, the Company recognized share-based compensation related to restricted stock units of an aggregate of \$7,671 and unrecognized share-based compensation of \$192,329.

The following is a summary of the Company's restricted stock units activity:

	Restricted Stock Units	Weighted Average Exercise Price
Unvested – February 1, 2022	14,000	\$ 2.83
Granted	147,059	\$ 1.36
Vested	-	\$ -
Forfeited	(14,000)	\$ 2.83
Outstanding – October 31, 2022	147,059	\$ 1.36

For the three and nine months ended October 31, 2021, the Company recognized share-based compensation related to restricted stock units of an aggregate of \$18,933.

Options

The following is a summary of the Company’s option activity:

	Options	Weighted Average Exercise Price
Outstanding – February 1, 2022	669,000	\$ 0.66
Exercisable – February 1, 2022	666,500	\$ 0.65
Granted	150,000	\$ 1.48
Exercised	(130,000)	\$ 1.00
Outstanding – October 31, 2022	689,000	\$ 0.77
Exercisable – October 31, 2022	539,000	\$ 0.57

Options Outstanding			Options Exercisable		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.39 – 1.48	689,000	2.57	\$ 0.77	539,000	\$ 0.57

At October 31, 2022, the total intrinsic value of options outstanding and exercisable was \$257,379.

During the nine months ended October 31, 2022, the members of the board of directors and the CFO exercised 130,000 options at an average exercise price of \$1.00 per share in exchange for 57,093 shares of common stock.

During the nine months ended October 31, 2021, seven employees exercised a total of 200,000 options at an average exercise price of \$0.81 per share for aggregate proceeds of \$19,080 in exchange for 148,061 shares of common stock.

For the three months ended October 31, 2022 and 2021, the Company recognized share-based compensation related to options of an aggregate of \$15,955 and \$748, respectively, which is included in general and administrative expenses on the accompanying condensed consolidated statements of operations. For the nine months ended October 31, 2022 and 2021, the Company recognized share-based compensation related to options of an aggregate of \$28,288 and \$1,534, respectively, which is included in general and administrative expenses on the accompanying condensed consolidated statements of operations. At October 31, 2022, there was unrecognized share-based compensation of \$144,115.

Warrants

In conjunction with the Series B Preferred offering, the placement agent received one warrant for every \$100 invested. The fair value of the warrants as of grant date was \$16,520 and was valued using a Black-Scholes option pricing model using the following assumptions:

	September 13, 2022
Risk-free interest rate	3.58%
Expected life of grants	5 years
Expected volatility of underlying stock	82.52%
Dividends	0%

The following is a summary of the Company’s warrant activity:

	Warrants	Weighted Average Exercise Price
Outstanding – February 1, 2022	-	\$ -
Exercisable – February 1, 2022	-	\$ -
Granted	11,800	\$ 2.25
Exercised	-	\$ -
Outstanding – October 31, 2022	11,800	\$ 2.25
Exercisable – October 31, 2022	11,800	\$ 2.25

Warrants Outstanding			Warrants Exercisable		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 2.25	11,800	4.87	\$ 2.25	11,800	\$ 2.25

At October 31, 2022, the total intrinsic value of warrants outstanding and exercisable was \$0.

Note 10 - Commitments and Contingencies

Insurance Claim

The Company maintains insurance for both property damage and business interruption relating to catastrophic events, such as fires. Insurance recoveries received for property damage and business interruption in excess of the net book value of damaged assets, clean-up and demolition costs, and post-event costs are recognized as income in the period received or committed when all contingencies associated with the recoveries are resolved. Gains on insurance recoveries related to business interruption are recorded within “Cost of sales” and any gains or losses related to property damage are recorded within “Other income (expense)” on the condensed consolidated statements of income.

On December 7, 2020, the Company experienced a fire at its plant in a spiral oven. The spiral oven was rebuilt and was fully put back into service in late February 2021. The estimated loss was approximately \$656,700 which included loss of business, the rebuild of the spiral oven, additional expenses to clean plant and lost material and packaging. During the nine months ended October 31, 2021, the Company received \$152,850 relating to business interruption insurance which was recorded as a component of costs of sales on the condensed consolidated statements of income. The Company received the remaining amount of proceeds for the property damage claim, resulting in other income of \$91,312. This amount was offset by repairs and maintenance expense of \$12,475 as well as the costs of additions and parts of the oven and roof totaling \$47,669. No additional proceeds were received or costs incurred during the nine months ended October 31, 2022.

Litigation, Claims and Assessments

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. The Company is currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

Licensing and Royalty Agreements

On March 1, 2010, the Company was assigned a Development and License agreement (the “Agreement”). Under the terms of the Agreement the Licensor shall develop for the Company a line of beef meatballs with sauce, turkey meatballs with sauce and other similar meats and sauces for commercial manufacture, distribution and sale (each a “Licensor Product” and collectively the “Licensor Products”). Licensor shall work with Licensee to develop Licensor Products that are acceptable to Licensee. Upon acceptance of a Licensor Product by Licensee, Licensor’s trade secret recipes, formulas methods and ingredients for the preparation and production of such Licensor Products (the “Recipes”) shall be subject to this Development and License Agreement.

The Exclusive Term began on January 1, 2009 (the “Effective Date”) and ends on the 50th anniversary of the Effective Date.

The Royalty Rate shall be: 6% of net sales up to \$500,000 of net sales for each Agreement year; 4% of Net Sales from \$500,000 up to \$2,500,000 of Net Sales for each Agreement year; 2% of Net Sales from \$2,500,000 up to \$20,000,000 of Net Sales for each Agreement year; and 1% of Net Sales in excess of \$20,000,000 of Net Sales for each Agreement year.

In order to continue the Exclusive term, the Company shall pay a minimum royalty with respect to the preceding Agreement year as follows:

Agreement Year	Minimum Royalty to be Paid with Respect to Such Agreement Year
1 st and 2 nd	\$ -
3 rd and 4 th	\$ 50,000
5 th , 6 th and 7 th	\$ 75,000
8 th and 9 th	\$ 100,000
10 th and thereafter	\$ 125,000

The Company incurred \$116,912 and \$99,457 of royalty expenses for the three months ended October 31, 2022 and 2021, respectively. The Company incurred \$391,887 and \$391,433 of royalty expenses for the nine months ended October 31, 2022 and 2021, respectively. Royalty expenses are included in general and administrative expenses on the condensed consolidated statements of operations.

Agreements with Placement Agents and Finders

Spartan Capital, LLC

The Company entered into a fourth Financial Advisory and Investment Banking Agreement with Spartan Capital Securities, LLC (“Spartan”) effective April 1, 2015 (the “Spartan Advisory Agreement”). Pursuant to the Spartan Advisory Agreement, if the Company enters into a change of control transaction during the term of the agreement through October 1, 2022, the Company shall pay to Spartan a fee equal to 3% of the consideration paid or received by the Company and/or its stockholders in such transaction. Upon consummation of the acquisition of T&L and OB in December 2021, the Company paid Spartan \$401,322 pursuant to the advisory agreement. Based on this agreement with Spartan, during the nine months ended October 31, 2022, the Company paid Spartan \$36,000 upon the consummation of CIF purchase.

AGES Financial Services. Ltd.

On July 6, 2022, the Company executed a Proposed Offering Engagement Letter with AGES Financial Services. Ltd. (“AGES”) to act as a non-exclusive (i) dealer-manager, (ii) placement agent and/or (iii) financial advisor for a proposed issuance, or series of issuances, for up to \$5,000,000 of the Company’s Series B Convertible Preferred Stock (“Proposed Offering”) in a private placement to be conducted by the Company pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 506(b) of Regulation D promulgated by the Commission under the Securities Act of 1933, as amended. Unless terminated prior to December 31, 2022, the period of the Engagement runs from July 5, 2022 through December 31, 2022.

In consideration for its services in the Proposed Offering, AGES shall be entitled a cash fee equal to four percent (4%) of the net dollar amount received by the Company from investors sourced by AGES plus five-year warrants to buy Common Stock of the Company at the rate of 1 warrant for every \$100 of such net dollar amount. The Company shall be responsible for payment of all expenses relating to the proposed offering, including but not limited to costs associated with the registration of any Common Stock which may be issued upon conversion of the Series B Convertible Preferred Stock.

Series B Preferred Shares to be Issued

During October 2022, the Company received net proceeds of \$185,000 from accredited investors pursuant to the above Offering which has yet to close and the shares have yet to be issued. The funds received are to be used for working capital purposes. The outstanding amount as of October 31, 2022 was \$185,000 and is shown as “Liability for Series B Preferred Shares to be issued, net” on the accompanying condensed consolidated balance sheets. On November 17, 2022, the Company held a final closing of its offering of Series B Preferred Stock, wherein it sold an additional 7,400 shares of Series B Preferred Stock for gross proceeds of \$185,000.

Appointment of Chief Executive Officer

On June 21, 2022, the Board approved the appointment of Mr. Adam L. Michaels as the Company’s Chief Executive Officer and member of the Board of Directors, effective as of September 6, 2022. As compensation for his services, the Company shall pay Mr. Michaels an annual base salary of \$325,000 for a 5-year period ending September 5, 2027. In addition to his base salary, Mr. Michaels is eligible for an annual bonus and equity awards. These equity awards include annual restricted stock units, sign on stock units, performance stock units and profit-sharing units which will vest as defined in the employment agreement.

Appointment of Chief Financial Officer

On September 12, 2022, the Board approved the appointment of Mr. Anthony J. Gruber as the Company’s Chief Financial Officer, effective as of September 12, 2022. As compensation for his services, the Company shall pay Mr. Gruber an annual base salary of \$250,000 for a 5-year period ending September 11, 2027. In addition to his base salary, Mr. Gruber is eligible for an annual bonus and equity awards. These equity awards include performance stock units which will vest as defined in the employment agreement.

Note 11 – Income Taxes

The Company’s effective tax rate for the three and nine months ending October 31, 2022 is 21.8% and 22.4%, respectively. Differences with statutory rate primarily relate to state taxes. Deferred tax assets are net operating loss carryforwards and other assets.

Deferred taxes are caused primarily by net operating loss carryforwards. U.S. Tax Legislation enacted in 2017 (the “TCJA”) has significantly changed certain aspects of U.S. federal income taxation. Net Operating Losses (“NOLs”) generated in 2017 and prior years can be carried forward for 20 years. NOLs generated in 2018 – 2020, as enacted by the CARES Act, can be carried forward indefinitely. However, NOLs generated in 2021 are also carried forward indefinitely but limited to 80% of taxable income.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon future generation for taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. There was no valuation allowance as of October 31, 2022 or January 31, 2022.

The Company evaluated the provisions of ASC 740 related to the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements. ASC 740 prescribes a comprehensive model for how a company should recognize, present, and disclose uncertain positions that the Company has taken or expects to take in its tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Differences between tax positions taken or expected to be taken in a tax return and the net benefit recognized and measured pursuant to the interpretation are referred to as “unrecognized benefits.” A liability is recognized (or amount of net operating loss carry forward or amount of tax refundable is reduced) for unrecognized tax benefit because it represents an enterprise’s potential future obligation to the taxing authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.

The actual yearly tax rate will vary due to numerous factors, such as level and geographic mix of income and losses, acquisitions, investments, intercompany transactions, our stock price, changes in our deferred tax assets and liabilities and their valuation, changes in the laws, regulations, administrative practices, principles, and interpretations related to tax, including changes to the global tax framework and other laws and accounting rules in various jurisdictions

Note 12 – Subsequent Events

On November 17, 2022, the Company held a final closing of its offering of Series B Preferred Stock, wherein it sold an additional 7,400 shares of Series B Preferred Stock for gross proceeds of \$185,000.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD- LOOKING STATEMENTS. THESE RISKS AND OTHER FACTORS INCLUDE, AMONG OTHERS, THOSE LISTED UNDER “FORWARD-LOOKING STATEMENTS” AND “RISK FACTORS” DETAILED IN PRIOR COMPANY FILINGS AND THOSE INCLUDED ELSEWHERE IN THIS REPORT.

Results of Operations for the Quarter ended October 31, 2022 and 2021

The following table sets forth the summary of the condensed consolidated statements of operations for the quarter ended October 31, 2022 and 2021:

	For the Three Months Ended	
	October 31, 2022	October 31, 2021
Sales - Net of Slotting Fees and Discounts	\$ 25,693,913	\$ 10,852,682
Gross Profit	\$ 6,564,206	\$ 2,645,743
Operating Expenses	\$ (5,065,645)	\$ (2,644,542)
Other Expenses	\$ (186,859)	\$ (8,731)
Income Tax Benefit (Provision)	\$ (285,686)	\$ 2,075
Income from equity method investment in Chef Inspirational	\$ 71,924	\$ -
Net Income (Loss)	\$ 1,097,940	\$ (5,455)

For the quarters ended October 31, 2022 and 2021, the Company reported net income (loss) of \$1,097,940 and \$(5,455), respectively. The change in net income (loss) between the quarter ended October 31, 2022 and 2021 reflects strong sales and same-customer product additions, normalization of costs for commodities, other materials, freight as well as improvements in manufacturing efficiencies.

Sales: Sales, net of slotting fees and discounts increased by approximately 137% to \$25,693,913 during the quarter ended October 31, 2022, from \$10,852,682 during the quarter ended October 31, 2021. Sales included the third full quarter from the acquisition of T&L Creative Salads, Inc. and Olive Branch LLC in December 2021. During the quarter ended October 31, 2022, MamaMancini’s Inc. and T&L Salads continued to successfully accelerate product portfolio synergies by adding new T&L products to existing MamaMancini’s customers in both club stores and retail chains in addition to increasing the average SKU’s carried per location.

Gross Profit: The gross profit margin was 26% and 24% for the quarters ended October 31, 2022 and 2021, respectively. The quarter ended October 31, 2022 marks the return to normalcy of target margins based on improved pricing and strong sales growth. The Company continues to identify procurement efficiencies and cost savings through stronger buying power created through the acquisitions of T&L Creative Salads and Olive Branch.

Operating Expenses: Operating expenses increased by 92% during the quarter ended October 31, 2022, as compared to the quarter ended October 31, 2021. Operating expenses decreased as a percentage of sales to 20% in 2022 compared to 24% in 2021. The \$2,421,103 increase in total operating expenses is primarily attributable to the following:

- Payroll and Related Expenses rose by \$659,941 related to the executive hires, incremental costs associated with the acquisition of T&L Creative Salads management and office salaries;
- Commission Expenses rose \$253,144 due to increased sales;
- Allowance for Doubtful Accounts rose by \$245,354 due to our anticipation of increasing macroeconomic risk;
- Professional Fees rose \$158,448 due to higher third-party accounting and technical expertise and auditing fees related to the additional complexity of the acquisitions; and
- Freight charges rose \$110,153 due to increased Finished Goods transportation rate increases and fuel surcharges.

Other Income (Expenses): Other expenses increased by \$178,128 to \$186,859 for the quarter ended October 31, 2022 as compared to \$8,731 during the quarter ended October 31, 2021. For the quarter ended October 31, 2022, other income (expenses) consisted of \$183,844 in interest expense on the Company’s financing arrangements and \$3,015 in amortization of debt discount. For the three months ended October 31, 2021, other expenses consisted of \$8,731 in interest expense incurred on the Company’s financing arrangements.

Results of Operations for the Nine Months ended October 31, 2022 and 2021

The following table sets forth the summary of the condensed consolidated statements of operations for the nine months ended October 31, 2022 and 2021:

	For the Nine Months Ended	
	October 31, 2022	October 31, 2021
Sales - Net of Slotting Fees and Discounts	\$ 70,370,967	\$ 33,230,666
Gross Profit	\$ 12,986,014	\$ 9,223,746
Operating Expenses	\$ (12,057,775)	\$ (7,785,433)
Other Income (Expenses)	\$ (454,233)	\$ 10,994
Income Tax Provision	\$ (106,079)	\$ (391,313)
Income from equity method investment in Chef Inspirational	\$ 90,464	\$ -
Net Income	\$ 458,391	\$ 1,057,994

For the nine months ended October 31, 2022 and 2021, the Company reported net income of \$458,391 and \$1,057,994, respectively. The change in net income between the nine months ended October 31, 2022 and 2021 reflects the challenges of cost inflation of commodities, packaging and freight outpacing price increases from February through July 2022 offset by cost normalization and improved pricing models from August through October 2022.

Sales: Sales, net of slotting fees and discounts increased by approximately 112% to \$70,370,967 during the nine months ended October 31, 2022, from \$33,230,666 during the nine months ended October 31, 2021. Sales included the first full nine months from the acquisition of T&L Creative Salads, Inc. and Olive Branch LLC in December 2021. Sales for MamaMancini’s, Inc. grew moderately across all channels during the nine months ended October 31, 2022 versus the prior year comparative period. During the nine months ended October 31, 2022, MamaMancini’s Inc. and T&L Salads continued to gain product portfolio synergies by adding new products to existing customers in both club stores and retail chains.

Gross Profit: The gross profit margin was 18% for the nine months ended October 31, 2022 compared to 28% for the quarter ended October 31, 2021. The T&L Creative Salads and Olive Branch LLC acquisition created a different financial model with lower gross margin percentage yet comparable Operating Income margins. In addition, for the first six months inflation of raw materials, packaging and freight costs temporarily out-paced price increases which dissipated in the final 3 months of the quarter.

Operating Expenses: Operating expenses increased by 55% during the nine months ended October 31, 2022, as compared to the nine months ended October 31, 2021. Operating expenses decreased as a percentage of sales to 17% in 2022 compared to 23% in 2021. The \$4,272,342 increase in total operating expenses is primarily attributable to the following:

- Payroll and Related Expenses rose by \$1,198,146 related to the acquisition of T&L Creative Salads management and office salaries, newly hired executives, additional accounting staff at MamaMancini’s and severance pay;
- Freight charges rose \$611,733 due to increased Finished Goods transportation rate increases and fuel surcharges;
- Professional Fees rose \$571,496 due to one-time legal fees associated with investment in Chef Inspirational Foods, higher Auditing Fees and third-party accounting/technical expertise related to the additional complexity of the acquisitions;
- Commission Expenses rose \$480,986 due to increased sales; and
- Insurance Expenses rose \$310,627 to account for the acquisition of T&L Creative Salads and Olive Branch LLC.

Other Income (Expenses): Other expenses changed by \$465,227 to \$(454,233) for the nine months ended October 31, 2022 as compared to income of \$10,994 during the nine months ended October 31, 2021. For the nine months ended October 31, 2022, other income (expenses) consisted of \$447,259 in interest expense on the Company’s financing arrangements, \$9,670 in amortization of debt discount and \$2,596 of other income. For the nine months ended October 31, 2021, other income (expenses) consisted of \$(26,710) in interest expense incurred on the Company’s financing arrangements which was offset by the net insurance proceeds relating to the property damage claim of \$37,704.

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at October 31, 2022 compared to January 31, 2022:

	October 31, 2022	January 31, 2022	Change
Current Assets	\$ 14,316,080	\$ 11,638,317	\$ 2,677,763
Current Liabilities	\$ 11,151,225	\$ 8,985,128	\$ 2,166,097
Working Capital	\$ 3,164,855	\$ 2,653,189	\$ 511,666

As of October 31, 2022, we had working capital of \$3,164,855 as compared to working capital of \$2,653,189 as of January 31, 2022, an increase of \$511,666. The increase in working capital is primarily attributable to an increase in cash of \$2,628,689, an increase of inventories of \$673,166 based on robust sales increases, an increase in prepaid expenses of \$110,926 and a decreases in the short term portion of finance lease payable of \$37,954 offset by better cash management and a decrease in accounts receivable of \$735,018, an increase in accounts payable and accrued liabilities of \$1,586,609, an increase in the term loan of \$267,665, an increase in the short term portion of the operating lease payable of \$85,524, an increase in the related party promissory note of \$79,253 and the receipt of proceeds from the Series B Preferred Stock to be issued of \$185,000.

Net cash provided by operating activities for the nine months ended October 31, 2022 was \$3,184,020 compared to net cash provided by operating activities for the nine months ended October 31, 2021 of \$2,132,797. The net income for the nine months ended October 31, 2022 and 2021 was \$458,391 and \$1,057,994, respectively. During the nine months ended October 31, 2022, net income was affected by adjustments to net income of \$1,371,694 and by changes in operating activities which provided cash of \$1,353,935. During the nine months ended October 31, 2021, net income was affected by adjustments to net income of \$1,139,159 offset by changes in operating activities which used cash of \$64,356.

Net cash used in investing activities for the nine months ended October 31, 2022 was \$1,007,547 as compared to \$657,607 for the nine months ended October 31, 2021, respectively. For the nine months ended October 31, 2022, the Company used cash of \$507,547 to purchase new machinery and equipment. In addition, the Company paid cash of \$500,000 for the acquisition of a 24% minority interest in Chef Inspirational Foods, Inc. For the nine months ended October 31, 2021, the cash used in investing activities was to purchase new machinery and equipment.

Net cash provided by all financing activities for the nine months ended October 31, 2022 was \$452,216 as compared to \$125,830 used in financing activities for the nine ended October 31, 2021. During the nine months ended October 31, 2022, the Company received net proceeds of \$225,000 from borrowings pursuant to the line of credit which were offset by payments of the acquisition related term loan and finance lease payments of \$905,172 and \$190,349, respectively, and payment of offering costs of \$57,200. In addition, during the nine months ended October 31, 2022, the Company received proceeds of \$26,250 for the exercise of options and \$1,365,000 from the first and second tranches of the sale of Series B Convertible Preferred Stock, of which \$185,000 was received in advance of share issuance. During the nine months ended October 31, 2022, the Company paid dividends on the Series B Preferred stock of \$11,313. During the nine months ended October 31, 2021, the Company received proceeds of \$19,080 from the exercise of options. These cash in-flows were offset by payments of \$144,910 paid for finance lease payments.

Although the expected revenue growth and control of expenses lead management to believe that it is probable that the Company’s cash resources will be sufficient to meet its cash requirements through December 12, 2023, based on current and projected levels of operations, the Company may require additional funding to finance growth and achieve its strategic objectives. If such financing is required, there can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all. In the event funding is not available on reasonable terms, the Company might be required to change its growth strategy and/or seek funding on an alternative basis, but there is no guarantee it will be able to do so.

Recent Accounting Pronouncements

In May 2021, the FASB issued accounting standards update ASU 2021-04, “*Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*”, to clarify and reduce diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this ASU are effective for public and nonpublic entities for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2021. Early adoption is permitted, including adoption in an interim period. The Company adopted the new standard on February 1, 2022 and the adoption of the new standard did not have a significant impact on the Company’s condensed consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), which simplifies an issuer’s accounting for convertible instruments by reducing the number of accounting models that require separate accounting for embedded conversion features. ASU 2020-06 also simplifies the settlement assessment that entities are required to perform to determine whether a contract qualifies for equity classification and makes targeted improvements to the disclosures for convertible instruments and earnings-per-share (EPS) guidance. This update will be effective for the Company’s fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Entities can elect to adopt the new guidance through either a modified retrospective method of transition or a fully retrospective method of transition. The Company is currently evaluating the impact of the pending adoption of the new standard on its financial statements and intends to adopt the standard as of January 1, 2024.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying condensed consolidated financial statements.

Critical Accounting Policies

Our condensed consolidated financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States (“GAAP”). GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 3 of our condensed consolidated financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our consolidated results of operations, financial position or liquidity for the periods presented in this report.

We believe the following critical accounting policies and procedures, among others, affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements:

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Such estimates and assumptions impact, among others, the following: allowance for doubtful accounts, inventory obsolescence and the fair value of share-based payments.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the condensed consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from our estimates.

Intangible Assets

Software

The Company accounts for acquired internal-use software licenses and certain costs within the scope of ASC 350-40, *Intangibles - Goodwill and Other - Internal-Use Software* as intangible assets. The Company capitalized \$87,639 of costs incurred in the nine months ended October 31, 2022 to implement cloud computing arrangements. Acquired internal-use software licenses are amortized over the term of the arrangement on a straight-line basis to the line item within the condensed consolidated statements of operations that reflects the nature of the license.

Additionally, the Company evaluates its accounting for fees paid in an agreement to determine whether it includes a license to internal-use software. If the agreement includes a software license, the Company accounts for the software license as an intangible asset. Acquired software licenses are recognized and measured at cost, which includes the present value of the license obligation if the license is to be paid for over time. If the agreement does not include a software license, the Company accounts for the arrangement as a service contract (hosting arrangement) and hosting costs are generally expensed as incurred.

Goodwill

The Company does not amortize goodwill or indefinite-lived intangible assets. The Company tests goodwill for impairment annually as of April 30 or if an event occurs or circumstances change that indicate that the fair value of the entity, or the reporting unit, may be below its carrying amount (a “triggering event”). Whenever events or circumstances change, entities have the option to first make a qualitative evaluation about the likelihood of goodwill impairment. If impairment is deemed more likely than not, management would perform the two-step goodwill impairment test. Otherwise, the two-step impairment test is not required. In assessing the qualitative factors, the Company assessed relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. The identification of the relevant events and circumstances and how these may impact a reporting unit’s fair value or carrying amount involve significant judgements and assumptions. The judgement and assumptions include the identification of macroeconomic conditions, industry and market considerations, overall financial performance, Company specific events and share price trends, an assessment of whether each relevant factor will impact the impairment test positively or negatively, and the magnitude of an such impact.

If a quantitative assessment is performed, a reporting unit’s fair value is compared to its carrying value. A reporting unit’s fair value is determined based upon consideration of various valuation methodologies, including the income approach, which utilizes projected future cash flows discounted at rates commensurate with the risks involved and multiples of current and future earnings. If the fair value of a reporting unit is less than its carrying amount, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

Other Intangibles

Amortizable intangible assets, including tradenames and trademarks, are amortized on a straight-line basis over 3 years. Customer relationships are amortized on a straight-line basis over 4 to 5 years.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Topic 606, *Revenue from Contracts with Customers (Topic 606)*.

The Company's sales predominantly are generated from the sale of finished products to customers, contain a single performance obligation and revenue is recognized at a single point in time when ownership, risks and rewards transfer. Typically, this occurs when the goods are shipped to the customer. Revenues are recognized in an amount that reflects the net consideration the Company expects to receive in exchange for the goods. The Company reports all amounts billed to a customer in a sale transaction as revenue. Under the new revenue guidance, the Company elected to treat shipping and handling activities as fulfillment activities, and the related costs are recorded as selling expenses in general and administrative expenses on the condensed consolidated statement of operations.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic 718, "*Compensation – Stock Compensation*" ("ASC 718") which establishes financial accounting and reporting standards for stock-based employee compensation. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. The Company accounts for compensation cost for stock option plans in accordance with ASC 718.

The Company recognizes all forms of share-based payments, including stock option grants, warrants and restricted stock grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest.

Share-based payments, excluding restricted stock, are valued using a Black-Scholes option pricing model. Grants of share-based payment awards issued to non-employees for services rendered have been recorded at the fair value of the share-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Stock-based compensation expenses are included in cost of goods sold or selling, general and administrative expenses, depending on the nature of the services provided, in the condensed consolidated statement of operations. Share-based payments issued to placement agents are classified as a direct cost of a stock offering and are recorded as a reduction in additional paid in capital.

When computing fair value of share-based payments, the Company has considered the following variables:

- The risk-free interest rate assumption is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant.
- The Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future.
- The expected option term is computed using the "simplified" method as permitted under the provisions of Staff Accounting Bulletin ("SAB") 110.
- The term is the life of the grant.
- The expected volatility was estimated using the historical volatilities of the Company's common stock.
- The forfeiture rate is based on the historical forfeiture rate for the Company's unvested stock options, which was 0%.

Advertising

Costs incurred for producing and communicating advertising for the Company are charged to operations as incurred.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Based on evaluation as of the end of the period covered by this Form 10-Q, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are not effective to ensure that information required to be disclosed by us in report that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act 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.

As of period covered by this Quarterly Report on Form 10-Q, we have concluded that our internal control over financial reporting was not effective including the following material weakness:

- 1) Lacked sufficient accounting staff to appropriately segregate duties and leverage decision makers to consolidate new entities and complete timely reporting of financial data;
- 2) Lacked sufficient orientation and experience with new ERP systems platform which hindered productivity and required additional supervision delaying timely reporting of financial statements.

(b) Remedial Measures

On September 19, 2022, the Company hired a well-qualified Chief Financial Officer (Anthony Gruber), with significant experience in financial reporting and controls, who reports to the Chief Executive Officer. Effective December 12, 2022, the Company has additionally hired a well-qualified and experienced Corporate Controller with substantial public company experience. The CFO and Controller will be

leading a thorough review of the Company’s financial and disclosure controls. In addition, they will focus on the completion of the implementation of the Company’s new financial reporting system.

(c) Changes in Internal Control over Financial Reporting

Other than the above, there were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the period between February 1, 2022 and December 12, 2022, the Company issued the following shares which were not registered:

Common Stock

The Company issued 566,064 shares of common stock to seven holders. Of these issuances, 501,972 shares were issued in connection with an acquisition and the remaining 64,093 shares were issued upon the exercise of certain stock options and pursuant to employment agreements.

Series B Preferred Stock

The Company issued 54,600 shares of series B Preferred Stock for gross proceeds of \$1,360,000.

The proceeds of these sales will be utilized for general working capital and acquisitions.

Item 3. Defaults upon Senior Securities.

There has been no default in payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

There is no other information required to be disclosed under this item which was not previously disclosed.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002*
31.2	Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002*
32.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	Inline XBRL Instance Document**
101.SCH	Inline XBRL Taxonomy Extension Schema Document**
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document**
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAMAMANCINI’S HOLDINGS, INC.

Date: December 12, 2022

By: /s/ Adam L. Michaels
Name: Adam L. Michaels
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Adam L. Michaels, certify that:

1. I have reviewed this Form 10-Q of MamaMancini's Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2022

By: /s/ Adam L. Michaels

Adam L. Michaels
Principal Executive Officer
MamaMancini's Holdings, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Anthony Gruber, certify that:

1. I have reviewed this Form 10-Q of MamaMancini's Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the 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; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2022

By: /s/ Anthony Gruber

Anthony Gruber
Principal Financial Officer
MamaMancini's Holdings, Inc.

**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 this Quarterly Report of MamaMancini’s Holdings, Inc. (the “Company”), on Form 10-Q for the period ended October 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Adam L. Michaels, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended October 31, 2022, 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 such Quarterly Report on Form 10-Q for the period ended October 31, 2022, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 12, 2022

By: /s/ Adam L. Michaels
Adam L. Michaels
Principal Executive Officer
MamaMancini’s Holdings, Inc.

**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 this Quarterly Report of MamaMancini’s Holdings, Inc. (the “Company”), on Form 10-Q for the period ended October 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Anthony Gruber, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended October 31, 2022, 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 such Quarterly Report on Form 10-Q for the period ended October 31, 2022, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 12, 2022

By: /s/ Anthony Gruber
Anthony Gruber
Principal Financial Officer
MamaMancini’s Holdings, Inc.
