

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

**FORM C-AR**

**UNDER THE SECURITIES ACT OF 1933**

(Mark one.)

- Form C: Offering Statement
- Form C-U: Progress Update
- Form C/A: Amendment to Offering Statement
  - Check box if Amendment is material and investors must reconfirm within five business days.
- Form C-AR: Annual Report
- Form C-AR/A: Amendment to Annual Report
- Form C-TR: Termination of Reporting

***Name of issuer***

PittMoss LLC

***Legal status of issuer***

***Form***

Limited Liability Company

***Jurisdiction of Incorporation/Organization***

Delaware

***Date of organization***

January 6, 2015

***Physical address of issuer***

2603 Duss Avenue, Ambridge, PA 15003

***Website of issuer***

<https://www.pittmoss.com>

***Current number of employees***

20

	<b>Most recent fiscal year-end (2022)</b>	<b>Prior fiscal year-end (2021)</b>
<b>Total Assets</b>	\$1,488,705	\$892,416
<b>Cash &amp; Cash Equivalents</b>	\$467,865	\$227,146
<b>Accounts Receivable</b>	\$222,458	\$157,781
<b>Short-term Debt</b>	\$983,981	\$316,947
<b>Long-term Debt</b>	\$650,291	\$298,516
<b>Revenues/Sales</b>	\$1,450,630	\$934,960
<b>Cost of Goods Sold</b>	\$1,324,400	\$888,372
<b>Taxes Paid</b>	\$0	\$0
<b>Net Income</b>	\$(1,391,884)	\$(1,133,417)

April 24, 2023

**FORM C-AR**

**PittMoss LLC**



This Form C-AR (including the cover page and all exhibits attached hereto, the "Form C-AR") is being furnished by PittMoss LLC, a Delaware Limited Liability Company (the "Company," as well as references to "we," "us," or "our") for the sole purpose of providing certain information about the Company as required by the Securities and Exchange Commission ("SEC").

**No federal or state securities commission or regulatory authority has passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the accuracy or completeness of any disclosure document or literature. The Company is filing this Form C-AR pursuant to Regulation CF (§ 227.100 et seq.) which requires that it must file a report with the Commission annually and post the report on its website at <https://www.pittmoss.com> no later than 120 days after the end of each fiscal year covered by the report. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by 1) being required to file reports under Section 13(a) or Section 15(d) of the Exchange Act of 1934, as amended, 2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, 3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, 4) the repurchase of all the Securities sold pursuant to Regulation CF by the Company or another party, or 5) the liquidation or dissolution of the Company.**

The date of this Form C-AR is April 24, 2023.

**THIS FORM C-AR DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR SELL SECURITIES.**

## CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Form C-AR and any documents incorporated by reference herein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C-AR are forward-looking statements.

Forward-looking statements give our current reasonable expectations and projections regarding our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this Form C-AR and any documents incorporated by reference herein are based on reasonable assumptions we have made in light of our industry experience, perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this Form C-AR, you should understand that these statements are not guarantees of performance or results. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Any forward-looking statement made in this Form C-AR or any documents incorporated by reference herein speaks only as of the date of this Form C-AR. Factors or events that could cause our actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

**Table of Contents**

SUMMARY 6  
    The Business 6  
RISK FACTORS 6  
    Risks Related to the Company’s Business and Industry 6  
BUSINESS 17  
    Description of the Business 17  
    Business Plan 17  
    The Company’s Products and/or Services 18  
    Competition 18  
    Customer Base 19  
    Supply Chain 19  
    Intellectual Property 19  
    Governmental/Regulatory Approval and Compliance 20  
    Litigation 20  
DIRECTORS, OFFICERS AND EMPLOYEES 20  
    Indemnification 21  
    Employees 21  
CAPITALIZATION, DEBT AND OWNERSHIP 21  
    Capitalization 21  
    Outstanding Options, SAFEs, Convertible Notes, Warrants 24  
    Outstanding Debt 26  
    Ownership 28  
FINANCIAL INFORMATION 28  
    Operations 28  
    Liquidity and Capital Resources 29  
    Capital Expenditures and Other Obligations 29  
    Trends and Uncertainties 29  
    Restrictions on Transfer 29  
TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST 29  
    Related Person Transactions 30  
    Bad Actor Disclosure 30  
SIGNATURES 30  
EXHIBITS 31

## **About this Form C-AR**

You should rely only on the information contained in this Form C-AR. We have not authorized anyone to provide you with information different from that contained in this Form C-AR. You should assume that the information contained in this Form C-AR is accurate only as of the date of this Form C-AR, regardless of the time of delivery of this Form C-AR. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other document are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents.

## **SUMMARY**

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C-AR and the Exhibits hereto.

PittMoss LLC (the "Company" or "PittMoss") is a Delaware Limited Liability, formed on January 6, 2015.

The Company is located at 2603 Duss Avenue, Ambridge, PA 15003.

The Company's website is <https://www.pittmoss.com>.

The information available on or through our website is not a part of this Form C-AR.

### **The Business**

PittMoss manufactures gardening mixes and soil amendments from recycled paper products. The Company conducts business in Pennsylvania and sells products direct to commercial growers (B2B) and through one-hundred fifty (150) garden centers across twenty-two (22) states in addition to internet sales throughout the United States.

## **RISK FACTORS**

### **Risks Related to the Company's Business and Industry**

*We have a limited operating history upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any new company encounters.*

The Company is still in an early phase, and we are just beginning to implement our business plan. There can be no assurance that we will ever operate profitably. The likelihood of our success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by early-stage companies. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

***Global crises such as COVID-19 can have a significant effect on our business operations and revenue projections.***

Despite shelter-in-place orders and non-essential business closings potentially happening throughout 2022 and into the future due to COVID-19, the Company's revenues were not adversely affected. However, the extent to which the COVID-19 pandemic will ultimately impact our business, results of operations, financial condition and cash flows depends on future developments that are highly uncertain, rapidly evolving and difficult to predict at this time.

***The amount of capital the Company raised in this Offering may not be enough to sustain the Company's current business plan.***

In order to achieve the Company's near and long-term goals, the Company may need to procure funds in addition to the amount raised in the Offering. There is no guarantee the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we may not be able to execute our business plan, our continued operations will be in jeopardy and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets, which could cause an Investor to lose all or a portion of their investment.

***We may face potential difficulties in obtaining capital.***

We may have difficulty raising needed capital in the future as a result of, among other factors, our lack of revenues from sales, as well as the inherent business risks associated with our Company and present and future market conditions. We may require additional funds to execute our business strategy and conduct our operations. If adequate funds are unavailable, we may be required to delay, reduce the scope of or eliminate one or more of our research, development or commercialization programs, product launches or marketing efforts, any of which may materially harm our business, financial condition and results of operations.

***We may implement new lines of business or offer new products and services within existing lines of business.***

As an early-stage company, we may implement new lines of business at any time. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved, and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

***We rely on other companies to provide components and services for our products.***

We depend on suppliers and contractors to meet our contractual obligations to our customers and conduct our operations. Our ability to meet our obligations to our customers may be adversely affected if suppliers or contractors do not provide the agreed-upon supplies or perform the agreed-upon services in compliance with customer requirements and in a timely and cost-effective manner.

Likewise, the quality of our products may be adversely impacted if companies to whom we delegate manufacture of major components or subsystems for our products, or from whom we acquire such items, do not provide components which meet required specifications and perform to our and our customers' expectations. Our suppliers may be unable to quickly recover from natural disasters and other events beyond their control and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. The risk of these adverse effects may be greater in circumstances where we rely on only one or two contractors or suppliers for a particular component. Our products may utilize custom components available from only one source. Continued availability of those components at acceptable prices, or at all, may be affected for any number of reasons, including if those suppliers decide to concentrate on the production of common components instead of components customized to meet our requirements. The supply of components for a new or existing product could be delayed or constrained, or a key manufacturing vendor could delay shipments of completed products to us adversely affecting our business and results of operations.

***Substantial disruption to production at our, our third-party manufacturer's, or our suppliers' facilities could occur.***

A disruption in production at our or our third-party manufacturer's facilities could have an adverse effect on our business. In addition, a disruption could occur at the facilities of our suppliers. The disruption could occur for many reasons, including fire, natural disasters, weather, water scarcity, manufacturing problems, disease, strikes, transportation or supply interruption, government regulation, cybersecurity attacks or terrorism. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and results of operations.

***We are vulnerable to fluctuations in the price and supply of ingredients, packaging materials, and freight.***

The prices of our ingredients, packaging materials and freight are subject to fluctuations attributable to, among other things, changes in supply and demand. The sales prices to our customers are a delivered price. Therefore, changes in our input and shipping costs could impact our gross margins. Our ability to pass along higher costs through price increases to our customers is dependent upon competitive conditions and pricing methodologies employed in the various markets in which we compete. To the extent competitors do not also increase their prices, customers and consumers may choose to purchase competing products or may shift purchases to lower-priced or other value offerings which may adversely affect our results of operations. We do not have long-term contracts with many of our suppliers, and, as a result, they could increase prices or fail to deliver. The occurrence of any of the foregoing could increase our costs and disrupt our operations.

***The consolidation of retail customers could adversely affect us.***

Retail customers in our major markets, may consolidate, resulting in fewer customers for our business. Consolidation also produces larger retail customers that may seek to leverage their position to improve their profitability by demanding improved efficiency, lower pricing, increased promotional programs, or specifically tailored products. In addition, larger retailers have the scale to develop supply chains that permit them to operate with reduced inventories. Retail consolidation and increasing retailer power could adversely affect our product sales and results of operations. Retail consolidation also increases the risk that adverse changes in our customers' business operations or financial performance will have a corresponding material and adverse effect on us. For example, if our customers cannot access sufficient funds or financing, then they may delay,



decrease, or cancel purchases of our products, or delay or fail to pay us for previous purchases, which could materially and adversely affect our product sales, financial condition, and operating results.

***We may not be able to effectively execute our e-commerce business.***

We sell our products over the Internet on our website, [www.pittmoss.com](http://www.pittmoss.com), and Amazon, which represent a small but growing percentage of our overall sales. The success of our e-commerce business depends on our investment in these platforms, consumer preferences and buying trends relating to e-commerce and our ability to both maintain the continuous operation of our online and fulfillment operations and provide a shopping experience that will generate orders and return visits to our platforms.

We are also vulnerable to certain additional risks and uncertainties associated with our e-commerce business, including: changes in required technology interfaces; website downtime and other technical failures; costs and technical issues associated with website software, systems and technology investments and upgrades; data and system security; system failures, disruptions and breaches and the costs to address and remedy such failures, disruptions or breaches; computer viruses; and changes in and compliance with applicable federal and state regulations. In addition, our efforts to remain competitive with technology trends, including the use of new or improved technology, creative user interfaces and other e-commerce marketing tools such as paid search and mobile applications, among others, may increase our costs and may not increase sales or attract consumers. Our failure to successfully respond to these risks and uncertainties might adversely affect our e-commerce sales, as well as damage our reputation or brands.

In addition, the success of our e-commerce business depends on the timely delivery of our products to our customers. The timely delivery of our products to our customers requires that our production operations have adequate capacity to support the current level of e-commerce orders and any anticipated increased levels that may occur as a result of the growth of our e-commerce business. If we encounter any production difficulties or a shut down for any reason, including as a result of a fire or other natural disaster, we could face shortages of inventory, resulting in delivery delays and dissatisfaction from our customers. Any of these issues could harm our business and reputation.

***We rely on various intellectual property rights, including trademarks, in order to operate our business.***

The Company relies on certain intellectual property rights to operate its business. The Company's intellectual property rights may not be sufficiently broad or otherwise may not provide us a significant competitive advantage. In addition, the steps that we have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented or designed around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property, could adversely impact our competitive position and results of operations. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially

equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. As we expand our business, protecting our intellectual property will become increasingly important. The protective steps we have taken may be inadequate to deter our competitors from using our proprietary information. In order to protect or enforce our patent rights, we may be required to initiate litigation against third parties, such as infringement lawsuits. Also, these third parties may assert claims against us with or without provocation. These lawsuits could be expensive, take significant time and could divert management's attention from other business concerns. The law relating to the scope and validity of claims in the technology field in which we operate is still evolving and, consequently, intellectual property positions in our industry are generally uncertain. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable.

***As we expand our business, protecting our intellectual property will become increasingly important.***

The protective steps we have taken may be inadequate to deter our competitors from using our proprietary information. In order to protect or enforce our patent rights, we may be required to initiate litigation against third parties, such as infringement lawsuits. Also, these third parties may assert claims against us with or without provocation. These lawsuits could be expensive, take significant time and could divert management's attention from other business concerns. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable.

***From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights.***

Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, could require us to redesign our products, which would be costly and time-consuming, and/or could subject us to an injunction against development and sale of certain of our products or services. We may have to pay substantial damages, including damages for past infringement if it is ultimately determined that our product candidates infringe a third party's proprietary rights. Even if these claims are without merit, defending a lawsuit takes significant time, may be expensive and may divert management's attention from other business concerns. Any public announcements related to litigation or interference proceedings initiated or threatened against us could cause our business to be harmed. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all.

***Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of the products can lead to injury or other adverse events.***

These events could lead to recalls or safety alerts relating to our products (either voluntary or required by governmental authorities) and could result, in certain cases, in the removal of a product from the market. Any recall could result in significant costs as well as negative publicity that could reduce demand for our products. Personal injuries relating to the use of our products can also result in product liability claims being brought against us. In some circumstances, such adverse events

could also cause delays in new product approvals. Similarly, negligence in performing our services can lead to injury or other adverse events.

***Product safety and quality concerns, including concerns related to perceived quality of ingredients, could negatively affect the Company's business.***

The Company's success depends in large part on its ability to maintain consumer confidence in the safety and quality of all its products. The Company has rigorous product safety and quality standards. However, if products taken to market are or become contaminated or adulterated, the Company may be required to conduct costly product recalls and may become subject to product liability claims and negative publicity, which would cause its business to suffer. In addition, regulatory actions, activities by nongovernmental organizations and public debate and concerns about perceived negative safety and quality consequences of certain materials in our products may erode consumers' confidence in the safety and quality issues, whether or not justified, and could result in additional governmental regulations concerning the marketing and labeling of the Company's products, negative publicity, or actual or threatened legal actions, all of which could damage the reputation of the Company's products and may reduce demand for the Company's products.

***Future product recalls or safety concerns could adversely impact our results of operations.***

We may be required to recall certain of our products should they be mislabeled, tampered with or damaged. We also may become involved in lawsuits and legal proceedings if it is alleged that the use of any of our products causes injury, illness or death. A product recall or an adverse result in any such litigation could have an adverse effect on our business, depending on the costs of the recall, the destruction of product inventory, competitive reaction and consumer attitudes. Even if a product liability or consumer fraud claim is unsuccessful or without merit, the negative publicity surrounding such assertions regarding our products could adversely affect our reputation and brand image. We also could be adversely affected if consumers in our principal markets lose confidence in the safety and quality of our products.

***We must correctly predict, identify, and interpret changes in consumer preferences and demand, offer new products to meet those changes, and respond to competitive innovation.***

Consumer preferences may result in the need for our products to change continually. Our success depends on our ability to predict, identify, and interpret the tastes and habits of consumers and to offer products that appeal to consumer preferences. If we do not offer products that appeal to consumers, our sales and market share will decrease. We must distinguish between short-term fads, mid-term trends, and long-term changes in consumer preferences. If we do not accurately predict which shifts in consumer preferences will be long-term, or if we fail to introduce new and improved products to satisfy those preferences, our sales could decline. If we fail to expand our product offerings successfully across product categories, or if we do not rapidly develop products in faster growing and more profitable categories, demand for our products could decrease, which could materially and adversely affect our product sales, financial condition, and results of operations.

In addition, achieving growth depends on our successful development, introduction, and marketing of innovative new products and line extensions. Successful innovation depends on our ability to correctly anticipate customer and consumer acceptance, to obtain, protect and maintain necessary intellectual property rights, and to avoid infringing the intellectual property rights of others and failure to do so could compromise our competitive position and adversely impact our business.

***The Company is dependent on its management and sales teams, and the loss of one or more members of these groups could harm the business and prevent the Company from implementing its business plan in a timely manner.***

Our success depends substantially upon the continued services of our management team, particularly our Chief Executive Officer, Brian Scott. The Company has entered into an employment agreement with Mr. Scott. The unexpected loss of Mr. Scott or any other member of our management team could harm the Company's business, financial condition, cash flow or results of operations.

We are also substantially dependent on the continued services of our sales team because of their industry experience and knowledge of our products, customers and technology. We do not have employment agreements with any of our sales personnel and, therefore, they could terminate their employment with us at any time. The loss of one or more of the members of our sales team could harm the Company's business, financial condition, cash flow or results of operations.

***Although dependent on certain key personnel, the Company does not have any key person life insurance policies on any such people.***

We are dependent on certain key personnel in order to conduct our operations and execute our business plan, however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if any of these personnel die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and our operations. We have no way to guarantee key personnel will stay with the Company, as many states do not enforce non-competition agreements, and therefore acquiring key man insurance will not ameliorate all of the risk of relying on key personnel.

***Damage to our reputation could negatively impact our business, financial condition and results of operations.***

Our reputation and the quality of our brand are critical to our business and success in existing markets and will be critical to our success as we enter new markets. Any incident that erodes consumer loyalty for our brand could significantly reduce its value and damage our business. We may be adversely affected by any negative publicity, regardless of its accuracy. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correction.

***Our business could be negatively impacted by cyber security threats, attacks and other disruptions.***

Like others in the industry, we continue to face advanced and persistent attacks on our information infrastructure where we manage and store various proprietary information and sensitive/confidential data relating to our operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack our products or otherwise

exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of our customers or other third parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we produce or procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of our information infrastructure systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business.

***An intentional or unintentional disruption, failure, misappropriation or corruption of our network and information systems could severely affect our business.***

Such an event might be caused by computer hacking, computer viruses, worms and other destructive or disruptive software, “cyber-attacks” and other malicious activity, as well as natural disasters, power outages, terrorist attacks and similar events. Such events could have an adverse impact on us and our customers, including degradation of service, service disruption, excessive call volume to call centers and damage to our plant, equipment and data. In addition, our future results could be adversely affected due to the theft, destruction, loss, misappropriation or release of confidential customer data or intellectual property. Operational or business delays may result from the disruption of network or information systems and the subsequent remediation activities. Moreover, these events may create negative publicity resulting in reputation or brand damage with customers.

***Security breaches of confidential customer information, in connection with our electronic processing of credit and debit card transactions, or confidential employee information may adversely affect our business.***

Through third party service providers we indirectly collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, and personally identifiable information of our customers and employees. The integrity and protection of that data is critical to us. The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. Our systems may not be able to satisfy these changing requirements and customer and employee expectations or may require significant additional investments or time in order to do so. A breach in the security of our information technology systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits. Additionally, a significant theft, loss or misappropriation of, or access to, customers’ or other proprietary data or other breach of our information technology systems could result in fines, legal claims or proceedings.

***The use of individually identifiable data by our business, our business associates and third parties is regulated at the state, federal and international levels.***

The regulation of individual data is changing rapidly, and in unpredictable ways. A change in regulation could adversely affect our business, including causing our business model to no longer be viable. Costs associated with information security – such as investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud – could cause our business and results of operations to suffer materially. Additionally, the success of our

online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. The intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our customer transaction processing capabilities and personal data. If any such compromise of our security or the security of information residing with our business associates or third parties were to occur, it could have a material adverse effect on our reputation, operating results and financial condition. Any compromise of our data security may materially increase the costs we incur to protect against such breaches and could subject us to additional legal risk.

***We are subject to the risk of substantial environmental liability and limitations on our operations due to environmental laws and regulations.***

We are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations concerning matters such as air emissions, wastewater discharges, solid and hazardous waste handling and disposal and the investigation and remediation of contamination. The risks of substantial costs and liabilities related to compliance with these laws and regulations are an inherent part of our business, and future conditions may develop, arise or be discovered that create substantial environmental compliance or remediation liabilities and costs. Compliance with environmental, health and safety legislation and regulatory requirements may prove to be more limiting and costly than we anticipate. We may be subject to legal proceedings brought by private parties or governmental authorities with respect to environmental matters, including matters involving alleged property damage or personal injury. New laws and regulations, including those which may relate to emissions of greenhouse gases, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition or results of operations.

***Evolving tax, environmental and safety or other regulations or failure to comply with existing licensing, labeling, trade and safety and other regulations and laws could have a material adverse effect on our consolidated financial condition.***

Our activities or products, both within and outside of the United States, are subject to regulation by various federal, state, provincial and local laws, regulations and government agencies, including the U.S. Food and Drug Administration, U.S. Federal Trade Commission, the U.S. Departments of Agriculture, Commerce and Labor, as well as similar and other authorities outside of the United States, International Accords and Treaties and others, including voluntary regulation by other bodies. In addition, legal and regulatory systems in emerging and developing markets may be less developed, and less certain. These laws and regulations and interpretations thereof may change, sometimes dramatically, as a result of a variety of factors, including political, economic or social events. The manufacturing, marketing and distribution of food products are subject to governmental regulation that control such matters as food quality and safety, ingredients, advertising, product or production requirements, labeling, import or export of our products or ingredients, relations with distributors and retailers, health and safety, the environment, and restrictions on the use of government programs to purchase certain of our products. We are also regulated with respect to matters such as licensing requirements, trade and pricing practices, tax, anticorruption standards, advertising and claims, and environmental matters. The need to comply with new, evolving or revised tax, environmental, food quality and safety, labeling or other laws or regulations, or new, or changed interpretations or enforcement of existing laws or regulations, may have an adverse effect on our business and results of operations. Further, if we are found to be out of compliance with

applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions, termination of necessary licenses or permits, or recalls, as well as potential criminal sanctions, any of which could have an adverse effect on our business. Even if regulatory review does not result in these types of determinations, it could potentially create negative publicity or perceptions which could harm our business or reputation.

***We operate in a highly regulated environment, and if we are found to be in violation of any of the federal, state, or local laws or regulations applicable to us, our business could suffer.***

We are also subject to a wide range of federal, state, and local laws and regulations, such as local licensing requirements, and retail financing, debt collection, consumer protection, environmental, health and safety, creditor, wage-hour, anti-discrimination, whistleblower and other employment practices laws and regulations and we expect these costs to increase going forward. The violation of these or future requirements or laws and regulations could result in administrative, civil, or criminal sanctions against us, which may include fines, a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business. As a result, we have incurred and will continue to incur capital and operating expenditures and other costs to comply with these requirements and laws and regulations.

***The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies.***

The Company may not have the internal control infrastructure that would meet the standards of a public company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.

***State and federal securities laws are complex, and the Company could potentially be found to have not complied with all relevant state and federal securities laws in prior offerings of securities.***

The Company has conducted previous offerings of securities and may not have complied with all relevant state and federal securities laws. If a court or regulatory body with the required jurisdiction ever concluded that the Company may have violated state or federal securities laws, any such violation could result in the Company being required to offer rescission rights to investors in such offering. If such investors exercised their rescission rights, the Company would have to pay to such investors an amount of funds equal to the purchase price paid by such investors plus interest from the date of any such purchase. No assurances can be given the Company will, if it is required to offer such investors a rescission right, have sufficient funds to pay the prior investors the amounts required or that proceeds from this Offering would not be used to pay such amounts. In addition, if the Company violated federal or state securities laws in connection with a prior offering and/or sale of its securities, federal or state regulators could bring an enforcement, regulatory and/or other legal action against the Company which, among other things, could result in the Company having to pay substantial fines and be prohibited from selling securities in the future.

**IN ADDITION TO THE RISKS LISTED ABOVE, RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN, OR WHICH WE CONSIDER IMMATERIAL AS OF THE DATE OF THIS FORM C-AR, MAY ALSO HAVE AN ADVERSE EFFECT ON OUR BUSINESS.**

[Remainder of page intentionally left blank]



## **BUSINESS**

### **Description of the Business**

PittMoss makes and sells soil amendments, soil mixes, and animal bedding made from recycled and upcycled cellulose fiber materials such as paper and cardboard.

PittMoss' growing media provides improved growing conditions for plants when compared to traditional peat-based soils, while at the same time being better for the environment because it eliminates the massive carbon emissions related to peat mining, reduces water usage and reduces fertilizer runoff.

The Company's patented animal bedding products provide improved moisture and ammonia absorption while generating less dust than competitive products.

### **Business Plan**

PittMoss makes and sells a next generation growing media made from recycled and upcycled paper products and cardboard and a proprietary mix of organic additives. PittMoss is certified organic and specifically engineered to be an ideal growing environment for plants. PittMoss produces bigger, stronger plants than most peat-based mixes and requires 2/3 less water than typical peat-based soils because it holds water like a sponge. Waterlogging isn't a problem because PittMoss also has superior aeration allowing for much better air/water exchange and considerably better root development than other denser soils. PittMoss retains both water and applied fertilizers so that less fertilizer can be used for the same-sized plants without the leaching that occurs with other soils that can cause nitrogen runoff and algae blooms in local water sources. In addition, because PittMoss products are peat-free or peat-reduced, PittMoss is contributing to reducing carbon emissions.

PittMoss can disrupt the current soil economy by recycling local paper and cardboard waste in almost every major metro area and turning it into locally made and distributed soils. This will eliminate the need for peat to be shipped from Canada, which offers tremendous logistical advantages and helps to further reduce our planet's carbon footprint.

PittMoss plans to open several company-owned facilities but could also offer a license model to domestic or international investors. In either case, PittMoss will be a "hyper-local" business – owned locally, recycling local waste materials, employing local manufacturing employees, and distributing soil locally to fill customer needs or improve any depleted soils within the region.

The Company has a line of commercial grower mixes and a line of retail products, as well as a patented animal bedding product. The Company expects to achieve profitability by selling its products through multiple channels:

- **Commercial:** PittMoss direct sells growers through a sample/trial process. The Company offers growing expertise to ensure its products are used effectively. The Company also provides post-sales support to ensure good crop/root growth. The Company advertises its products through grower magazines and trade shows.
- **Wholesale:** PittMoss employs and contracts sales reps who sell to garden centers and fulfill orders through a distribution partner. The Company helps to drive "sell-through" with brand ambassadors holding sales events at various locations in season.

- Retail: PittMoss direct sells to customers on its website, [www.pittmoss.com](http://www.pittmoss.com), and on Amazon using a digital marketing strategy. The Company advertises its products on social media sites, such as FaceBook, Instagram, and Twitter.

The Company’s products have also been marketed for other uses. For example, PittMoss Prime has been sold as worm bedding material. In addition, PittMoss Grower Grade has been marketed as PittMoss CannaBlend. PittMoss CannaBlend is certified suitable for Cannabis growth by Redfield Proctor.

### The Company’s Products and/or Services

Product / Service	Description	Current Market
PittMoss Plentiful	100% organic potting soil that includes natural fertilizers	Home gardeners and organic farmers
PittMoss Performance	Potting soil that includes mineral fertilizers	Home gardeners and organic farmers
PittMoss Prime	Organic retail soil amendment used in gardens, raised beds, and as a compost starter	Home gardeners, composters and vermiculturists
PittMoss Grower Grade	Soil amendment that helps improve soil and competitive products; made with a variety of products / formulas based on grower’s need	Commercial horticulture growers and nurseries including the mushroom and cannabis industries
PittMoss PM1	Peatlite Based Mix with 33% PittMoss	Commercial horticulture growers and nurseries including the mushroom and cannabis industries
PittMoss PM2	Peat-bark based mix with 33% PittMoss	Commercial horticulture growers and nurseries including the mushroom and cannabis industries
PittMoss Prestige/Roost	Animal Bedding	Animal owners currently focused in the equine and poultry markets
PittMoss Coco Complete	Peat-free potting mix that is a blend of PittMoss fibers, coconut coir, and custom nutrients	Home gardeners and organic farmers

### Competition

The markets in which our products are sold are highly competitive. Our products compete against hundreds of similar products of many large and small companies, including well-known global competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products as well as retailers’ private-label brands. Product quality, performance, value, and packaging are also important differentiating factors.

Our main feedstock competition is Canadian Sphagnum Peat Moss, which is a commoditized product that is both imported and responsible for the loss of wetlands and CO2 emissions. PittMoss can also be a substitute for perlite, vermiculite, coco coir, and others. PittMoss can replace peat and these other feedstocks in all our competitors’ products because PittMoss is both a feedstock and branded product. This differentiates us from other brands.

Our top three branded competitors are ProMix BX, Bumper Crop (Coast of Maine), and FoxFarm.

Scott’s Miracle Gro is the best-known brand in the industry, but it is known as a low-cost, low-quality product sold in big-box stores. PittMoss competes with the premium brands in the industry and is only sold in higher-value garden centers and independently owned hardware or feed stores.

PittMoss has growing traction among competitors who are soil mixers and make their own branded products. PittMoss sells its products to these competitors as a feedstock to eliminate part or all the peat used in their soils.

### Customer Base

We sell our products to commercial growers of cannabis, mushroom, ground cover, perennials, annuals, and mixers/blenders. We direct sells growers through a sample/trial process and advertise through grower magazines and trade shows. We also sell our products direct-to-consumer via our PittMoss.com website and Amazon. In addition, through our wholesale strategy, we sell our products to consumers through 150 home and garden centers in 22 states. We employ and contract independent sales reps who sell to garden centers. We help to drive “sell through” with brand ambassadors holding sales events at various locations in season.

### Supply Chain

The Company’s ingredients and supply chain are proprietary and protected information. Paper, cardboard, and other paper-based materials make up more than 80% of the Company’s products, and the Company buys most of these materials from several recyclers in the Pittsburgh area. PittMoss purchases its other proprietary ingredients and packaging materials from various local and regional vendors. The Company’s goal is to maintain a local supply chain as much as possible for local and communal support. To that end, the Company’s ingredients are generally shipped within a 100-mile radius. Comparatively, the Company’s peat-based competitors must import and truck peat from Canada, where 98% of peat is harvested. Because the Company is peat-free or peat-reduced, this provides the Company with a competitive advantage of lower shipping and importing costs for its raw materials.

PittMoss manufactures its products at its factory located in Ambridge, PA. The factory is equipped with equipment to fiberize the paper and cardboard, a mixer, conveyor belts, scales, and forklift. The Company is operating below its capacity, so it has room to grow. The Company’s manufacturing process involves trade secrets and is difficult to replicate or reverse engineer. The Company has also filed for patent protection around its proprietary mixing process. The Company believes its trade secrets are very valuable and provide a significant market advantage because PittMoss is the only recycled material soil-based product.

### Intellectual Property

Application or Registration #	Title	Description	File Date	Grant Date	Country
US 17/678,811	Bulk Animal Bedding	Patent	02/23/2022	03/07/2023	USA
US 2016/0096779A1	Materials Suitable as Substitutes for Peat Mosses and Processes and Apparatus Therefor	Patent	09/17/2015	Pending	USA
4384424	PITTMOSS	Trademark	04/18/2011	08/13/2013	USA

## Governmental/Regulatory Approval and Compliance

The Company is subject to and affected by the laws and regulations of U.S. federal, state and local governmental authorities. These laws and regulations are subject to change.

## Litigation

The Company is not subject to any current litigation or threatened litigation.

## DIRECTORS, OFFICERS AND EMPLOYEES

The directors, officers, and managers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years.

Name	Positions and Offices Held at the Company	Principal Occupation and Employment Responsibilities for the Last Three (3) Years	Education
Brian Scott	CEO & President Director	<b>PittMoss LLC</b> , CEO & Director, May 2016 – Present	<b>Pennsylvania State University - University Park</b> , B.A., History (1990)  <b>Gannon University</b> , M.S., Computer and Information Science (2007)
Mont Handley	Director & Founder	<b>PittMoss LLC</b> , Director & Founder, July 2011 – Present  <b>Purdue University – Northwest, Commercialization and Manufacturing Excellence Center</b> , Entrepreneur-in-Residence/Associate Director, June 2016 – Present  <b>POTplugs Development Company, LLC</b> , Founder & Managing Member, September 2017 – Present	<b>Purdue University</b> , B.A., History (1988)
David Lilly	Director	<b>Lilly Management Group</b> , Owner, 2018 – Present  <b>Express Cash Advance, Inc.</b> , COO & Secretary, 2004 – 2019	<b>State University of New York, Morrisville</b> , A.A.S., Business Management (1981)

Carl Nicolia	Director	PSNergy, LLC, President, January 2013 - Present	<b>Gannon University,</b> B.S.M.E, Mechanical Engineering (1984)  <b>Oakland University,</b> M.S.E., Engineering (1986)
--------------	----------	---	---

### Indemnification

Indemnification is authorized by the Company to managers, officers or controlling persons acting in their professional capacity pursuant to Delaware law. Indemnification includes expenses such as attorney’s fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

### Employees

The Company currently has twenty (20) employees: eleven (11) Full-Time / nine (9) Part-Time.

## CAPITALIZATION, DEBT AND OWNERSHIP

### Capitalization

As of the date of this Form C-AR, the Company has issued the following outstanding securities:

<b>Type of security</b>	Common Units
<b>Amount Outstanding</b>	7,590,821
<b>Voting Rights</b>	Each holder of record of Common Units is entitled to one vote for each Common Unit held.
<b>Anti-Dilution Rights</b>	None.
<b>How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF</b>	The Company’s board of directors (the “ <b>Board</b> ”) and members may authorize and issue additional Common Units at a later date.
<b>Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).</b>	10.22%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap and 2021 SAFE instruments at a \$7.5mm valuation cap together with full vesting and exercise of all outstanding options.

Type of security	Series Seed Preferred Units <sup>++</sup>
Amount Outstanding	52,382,131
Voting Rights	Each holder of record of Series Seed Preferred Units is entitled to one vote for each Common Unit into which each Series Seed Preferred Unit held is convertible.
Anti-Dilution Rights	The conversion rate of the Series Seed Preferred Units is subject to adjustment pursuant to a standard, broad-based, weighted average anti-dilution adjustment formula, subject to customary exceptions, as set forth in the Company's current operating agreement. The conversion price will also be subject to proportional adjustments for splits, distributions, recapitalizations, etc.
How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF	The Board and members may authorize and issue additional Series Seed Preferred Units and other classes of Preferred Units at a later date.(1)
Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).	70.51%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap and 2021 SAFE instruments at a \$7.5mm valuation cap together with full vesting and exercise of all outstanding options.

<sup>++</sup> For so long as a management agreement between the Company and one of the holders of Series Seed Preferred Units (the "**Management Agreement Holder**") is in effect, the Management Agreement Holder has the right to appoint one (1) member of the Board.

The holders of Series Seed Preferred Units, exclusively and as a separate class, have certain special voting rights, such as the right to appoint two (2) members of the Board.

In addition, at any time when Series Seed Preferred Units are outstanding, the following must be approved by the holders of a majority of the Series Seed Preferred Units then outstanding, voting together as a single class and not as a separate series:

- a) consummation of a liquidation event or effecting any other merger or consolidation;
- b) amendment, alteration or repeal of any provision of the operating agreement or Certificate of Formation in a manner that adversely affects the powers, preferences or rights of the Series Seed Preferred Units;

- c) creating, or authorizing the creation of, or issuing or obligating itself to issue any additional class or series of equity unless the same ranks junior to the Series Seed Preferred Units with respect to the distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of distributions and rights of redemption, or increase the number of Series Seed Preferred Units or increase the number of units of any additional class or series of equity unless the same ranks junior to the Series Seed Preferred Units with respect to distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of distributions and rights of redemption;
- d) (i) reclassification, alteration or amendment of any existing security of the Company that is pari passu with the Series Seed Preferred Units in respect of the distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of distributions or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Series Seed Preferred Units in respect of any such right, preference, or privilege or (ii) reclassification, alteration or amendment of any existing security of the Company that is junior to the Series Seed Preferred Units in respect of distribution of assets on the liquidation, dissolution or winding up of the Company, the payment of distributions or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Series Seed Preferred Units in respect of any such right, preference or privilege;
- e) purchasing or redeeming or paying or declaring any distribution or making any distribution on, any equity of the Company other than (i) redemptions or distributions of the Series Seed Preferred Units as expressly authorized in the operating agreement of the Company, (ii) distributions payable on the Common Units solely in the form of additional Common Units, and (iii) repurchases of equity from former employees, officers, directors, consultants or other persons who performed services for the Company as approved by the Board, including the approval of at least one member of the Board appointed by the holders of Series Seed Preferred Units;
- f) creating, or authorizing the creation of, or issuing, or authorizing the issuance of any debt security, or permitting any subsidiary to take any such action with respect to any debt security, if the aggregate indebtedness of the Company and its subsidiaries for borrowed money following such action would exceed \$50,000 unless such debt security has received the prior approval of the Board, including the approval of at least one member of the Board appointed by the holders of Series Seed Preferred Units;
- g) creating or holding equity in any subsidiary that is not wholly owned by the Company, or selling, transferring or otherwise disposing of any equity of any direct or indirect subsidiary of the Company, or permitting any direct or indirect subsidiary to sell, lease transfer exclusively license or otherwise dispose of all or substantially all of the assets of such subsidiary;
- h) increasing or decreasing the number of authorized members constituting the Board.

[Remainder of page intentionally left blank]

## Outstanding Options, Safes, Convertible Notes, Warrants

As of the date of this Form C-AR, the Company has the following additional securities outstanding:

<b>Type</b>	2020 Crowd SAFE (Simple Agreement for Future Equity)
<b>Face Value</b>	\$241,849.85
<b>Voting Rights</b>	N/A
<b>Anti-Dilution Rights</b>	N/A
<b>Material Terms</b>	\$7mm Valuation Cap
<b>How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF</b>	Upon a triggering event, conversion of outstanding SAFEs will result in the issuance of equity units of the Company.
<b>Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).</b>	2.97%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap, 2021 SAFE instruments at a \$7.5mm valuation cap, and convertible notes at a \$15mm valuation cap together with full vesting and exercise of all outstanding options.

<b>Type</b>	2021 Crowd SAFE (Simple Agreement for Future Equity)
<b>Face Value</b>	\$491,066.77
<b>Voting Rights</b>	N/A
<b>Anti-Dilution Rights</b>	N/A
<b>Material Terms</b>	\$7.5mm Valuation Cap
<b>How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF</b>	Upon a triggering event, conversion of outstanding SAFEs will result in the issuance of equity units of the Company.
<b>Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).</b>	5.62%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap, 2021 SAFE instruments at a \$7.5mm valuation cap, and convertible notes at a \$15mm valuation cap together with full vesting and exercise of all outstanding options.



Type	Convertible Notes
Face Value	\$825,000
Voting Rights	N/A
Anti-Dilution Rights	N/A
Material Terms	\$15.0mm Valuation Cap
How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF	Upon a triggering event, conversion of outstanding convertible notes will result in the issuance of equity units of the Company.
Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).	5.56%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap, 2021 SAFE instruments at a \$7.5mm valuation cap, and convertible notes at a \$15mm valuation cap together with full vesting and exercise of all outstanding options.

Type	Common Unit Options
Amount Outstanding	3,805,620
Voting Rights	N/A
Anti-Dilution Rights	N/A
Material Terms	--
How this security may limit, dilute or qualify the Security issued pursuant to Regulation CF	Exercise of outstanding options will result in the issuance of equity units of the Company.
Percentage ownership of the Company by the holders of such security (assuming conversion prior to the Offering if convertible securities).	5.12%*

\* Assumes conversion of outstanding 2020 SAFE instruments at a \$7mm valuation cap, 2021 SAFE instruments at a \$7.5mm valuation cap, and convertible notes at a \$15mm valuation cap together with full vesting and exercise of all outstanding options.

[Remainder of page intentionally left blank]

## Outstanding Debt

As of the date of this Form C-AR, the Company has the following debt outstanding:

<b>Type</b>	Loan (U.S. Small Business Administration) Economic Injury Disaster Loan (EIDL)
<b>Amount Outstanding</b>	\$150,000.00
<b>Interest Rate and Amortization Schedule</b>	3.75% per annum / 30-year amortization
<b>Description of Collateral</b>	All current and after acquired business assets
<b>Other Material Terms</b>	Payments commencing 07/03/2021
<b>Maturity Date</b>	July 3, 2050

<b>Type</b>	Private Long-Term Equipment Loan
<b>Amount Outstanding</b>	\$150,000.00
<b>Interest Rate and Amortization Schedule</b>	7.50%
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	October 1, 2027

<b>Type</b>	Private Short-Term Working Capital Loans
<b>Amount Outstanding</b>	\$200,000.00
<b>Interest Rate and Amortization Schedule</b>	17.14% / 6 Month Balloon
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	June 4, 2023

[Remainder of page intentionally left blank]

<b>Type</b>	Private Short-Term Working Capital Loans
<b>Amount Outstanding</b>	\$50,000.00
<b>Interest Rate and Amortization Schedule</b>	8.00% / 6 Month Balloon
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	September 1, 2023

<b>Type</b>	Private Short-Term Working Capital Loan
<b>Amount Outstanding</b>	\$250,000.00
<b>Interest Rate and Amortization Schedule</b>	SOFR + 5.00% for first 6 months; SOFR + 7.00% for next 6 months; default rate is SOFR + 10.00% / 12 Month Balloon
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	December 1, 2023

<b>Type</b>	Private Short-Term Working Capital Loan
<b>Amount Outstanding</b>	\$100,000.00
<b>Interest Rate and Amortization Schedule</b>	10.00% / 12 Month Balloon
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	March 22, 2024

[Remainder of page intentionally left blank]

<b>Type</b>	Revolving Line of Credit
<b>Amount Outstanding</b>	\$50,000.00
<b>Interest Rate and Amortization Schedule</b>	Prime + 3.50% / 12 Month Balloon
<b>Description of Collateral</b>	None: Unsecured
<b>Other Material Terms</b>	N/A
<b>Maturity Date</b>	January 30, 2024

## Ownership

The table below lists the beneficial owners of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

<b>Name</b>	<b>Amount and Type or Class Held</b>	<b>Percentage Ownership</b>
BT PittMoss, LP	13,155,353 Series Seed Preferred Units	20.61%

## FINANCIAL INFORMATION

**Please see the financial information listed on the cover page of this Form C-AR and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit A.**

### Operations

The Company generates revenues by selling soil amendments, soil mixes, and animal bedding to commercial growers, garden centers and other distribution partners, and directly to consumers through our website and Amazon.com. Revenues increased 55% to \$1,450,630 for the year ended December 31, 2022 from \$934,960 for the year ended December 31, 2021 primarily due to increases in the commercial and retail channels.

Total operating expenses increased to \$1,629,996 for the year ended December 31, 2022 from \$1,234,203 for the year ended December 31, 2021 primarily as a result of increases in salaries and wages. The Company believes the increased spending on personnel is necessary to drive sales growth and meet increased demand for its products.

Net loss was \$1,391,884 for the year ended December 31, 2022 as compared to a net loss of \$1,133,417 for the year ended December 31, 2021.

The Company does not expect to achieve profitability in the next 12 months. We are continuing to focus on increasing our market share and average order size per customer. We are also poised to grow the cannabis and animal bedding markets. Growth in these new markets is strategically

significant as these markets can provide non-seasonal, year-round sales.

### **Liquidity and Capital Resources**

The Company is currently raising funds via a convertible note pursuant to Rule 506(b) of Regulation D, and to date, the Company has raised \$825,000. The Company is also raising funds pursuant to Regulation CF on StartEngine. This crowdfunding campaign is scheduled to close on April 30, 2023. The proceeds from these offerings will have a beneficial effect on our liquidity.

We currently have approximately \$368,000 in cash on hand, which leaves us with approximately four (4) months of runway. Together with accounts receivable of approximately \$307,939, the Company estimates an aggregate runway of approximately eight (8) months.

### **Capital Expenditures and Other Obligations**

In 2022, the Company purchased and installed a new mixer and bagging line. The total cost of this equipment was approximately \$223,000. The Company believes that this new equipment will significantly improve its production efficiency and reduce production costs.

### **Trends and Uncertainties**

After reviewing the above discussion of the steps the Company intends to take, potential Investors should consider whether achievement of each step within the estimated time frame will be realistic in their judgment. Potential Investors should also assess the consequences to the Company of any delays in taking these steps and whether the Company will need additional financing to accomplish them.

The financial statements are an important part of this Form C-AR and should be reviewed in their entirety. The financial statements of the Company are attached hereto as Exhibit A.

### **Restrictions on Transfer**

Any securities sold pursuant to Regulation CF being offered may not be transferred by any purchaser of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities were transferred: 1) to the Company, 2) to an accredited investor, as defined by Rule 501(d) of Regulation D of the Securities Act of 1933, as amended, 3) as part of an Offering registered with the SEC or 4) to a member of the family of the Purchaser or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a family member of the Purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother/father/daughter/son/sister/brother-in-law and includes adoptive relationships.

## **TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST**

From time to time the Company may engage in transactions with related persons. Related persons are defined as any director or officer of the Company; any person who is the beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of

the foregoing persons or an entity controlled by any such person or persons. Additionally, the Company will disclose here any transaction since the beginning of the issuer's last fiscal year, or any currently proposed transaction, to which the issuer was or is to be a party and the amount involved exceeds five percent (5%) of the aggregate amount of capital raised by the issuer in reliance on section 4(a)(6), including the Target Offering Amount of this Offering, and the counter party is either (i) any director or officer of the issuer; (ii) any person who is, as of the most recent practicable date but no earlier than 120 days prior to the date the offering statement or report is filed, the beneficial owner of twenty percent (20%) or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power; (iii) if the issuer was incorporated or organized within the past three years, any promoter of the issuer; or (iv) any member of the family of any of the foregoing persons, which includes a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships. The term *spousal equivalent* means a cohabitant occupying a relationship generally equivalent to that of a spouse.

### **Related Person Transactions**

The Company has conducted the following transactions with related persons:

- Carl Nicolìa, Director: \$25,000 unsecured loan agreement bearing interest at 8% and due September 1, 2023.
- Private Shareholder < 20% Owned: \$150,000 unsecured loan agreement bearing interest at 7.5% and due October 1, 2027.
- Private Shareholder < 20% Owned: \$250,000 unsecured loan agreement due December 1, 2023. For the first 6 months, the loan bears interest at the Secured Overnight Financing Rate (“SOFR”) plus 5.00%. For the second 6 months, the loan bears interest at SOFR plus 7.00%. If the loan is in default at any time, the unpaid amount shall bear interest until paid at a rate per annum of SOFR plus 10.00%.
- Private Shareholder < 20% Owned: \$100,000 unsecured loan agreement bearing interest at 10.0% and due March 22, 2024.

### **Bad Actor Disclosure**

The Company is not subject to any bad actor disqualifications under any relevant U.S. securities laws.

[Remainder of page intentionally left blank]

## SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

The issuer also certifies that the attached financial statements are true and complete in all material respects.

/s/Brian Scott

\_\_\_\_\_  
(Signature)

Name: Brian Scott  
Title: CEO & Director  
Date: 04/24/2023

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/Brian Scott

\_\_\_\_\_  
(Signature)

Name: Brian Scott  
Title: CEO & Director  
Date: 04/24/2023

/s/Mont Handley

\_\_\_\_\_  
(Signature)

Name: Mont Handley  
Title: Director  
Date: 04/24/2023

/s/David Lilly

\_\_\_\_\_  
(Signature)

Name: David Lilly  
Title: Director  
Date: 04/24/2023

/s/Carl Nicolia

\_\_\_\_\_  
(Signature)

Name: Carl Nicolia  
Title: Director  
Date: 04/24/23

## EXHIBITS

Exhibit A      2022 and 2021 Financial Statements



**Exhibit A**  
**Financial Statements**

**PittMoss LLC**  
**Statement of Operations**

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenue	1,450,630	934,960
Cost of Revenue	1,324,400	888,372
Gross Profit	126,230	46,588
Operating Expenses		
Advertising and Marketing	171,040	191,458
General and Administrative	1,126,419	726,083
Research and Development	60,740	49,118
Rent and Lease	217,316	130,634
Bad Debt Expense	2,974	63,040
Depreciation	51,507	73,869
Total Operating Expenses	1,629,996	1,234,203
Operating Income (Loss)	(1,503,767)	(1,187,615)
Other Income		
Interest Income	-	-
Other	147,677	75,531
Total Other Income	147,677	75,531
Other Expense		
Interest Expense	35,794	21,332
Other	-	-
Total Other Expense	35,794	21,332
Provision for Income Tax		
<b>Net Income (Loss)</b>	<b>(1,391,884)</b>	<b>(1,133,417)</b>

**PittMoss LLC**  
**Statement of Financial Position**

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	467,865	227,146
Accounts Receivable, net of Allowance	222,458	157,781
Prepaid Expenses	13,765	12,592
Inventory	254,220	207,386
Total Current Assets	958,308	604,906
Non-current Assets		
Property & Equipment, and Leasehold Improvements, net of Accumulated Depreciation	350,130	146,810
Operating Lease Right-of-Use Asset	31,471	-
Intangible Assets: Patent, net of Accumulated Amortization	48,301	36,055
Security Deposits	100,495	104,646
Total Non-Current Assets	530,397	287,510
<b>TOTAL ASSETS</b>	<b>1,488,705</b>	<b>892,416</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable	255,058	201,786
Accrued Expenses	77,290	59,899
Notes Payable - Related Parties	634,014	51,442
Other Notes Payable	3,395	3,395
Operating Lease Liability, Current	5,714	-
Other Liabilities	8,510	425
Total Current Liabilities	983,981	316,947
EIDL	150,438	153,505
Future Equity Obligations (SAFE Notes)	732,917	698,080
Note Payable - Related Party	124,097	145,011
Operating Lease Liability, Noncurrent	25,756	
Convertible Notes	350,000	-
Total Long-Term Liabilities	1,383,208	996,596
<b>TOTAL LIABILITIES</b>	<b>2,367,189</b>	<b>1,313,543</b>
EQUITY		
Members' Capital	6,004,312	5,069,786
Accumulated Deficit	(6,882,797)	(5,490,913)
Total Equity	(878,484)	(421,127)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,488,705</b>	<b>892,416</b>

**PittMoss LLC**  
**Statement of Cash Flows**

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net Income (Loss)	<b>(1,391,884)</b>	(1,133,417)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Depreciation and Amortization	51,507	73,869
Stock-Based-Compensation	51,800	7,498
PPP Loan Forgiveness	-	(61,360)
Accounts Payable	53,272	98,033
Accrued Expenses	17,391	42,797
Inventory	(46,833)	(92,543)
Accounts Receivable, net of Allowance	(64,677)	(598)
Prepaid Expenses	(1,172)	6,324
Other	12,237	426
Total Adjustments to reconcile Net Income to Net Cash provided by operations	73,524	74,445
Net Cash provided by (used in) Operating Activities	(1,318,360)	(1,058,972)
<b>INVESTING ACTIVITIES</b>		
Property & Equipment	(286,299)	(24,969)
Patent	(12,247)	(1,072)
Net Cash provided by (used in) Investing Activities	(298,545)	(26,041)
<b>FINANCING ACTIVITIES</b>		
Capital Contributions	882,727	393,926
Future Equity Obligations (SAFE Notes)	34,837	456,230
Debt Issuance - Related Parties	561,659	196,453
Convertible Notes	350,000	3,395
Lease Liability	31,471	-
EIDL	(3,067)	(8,854)
Net Cash provided by (used in) Financing Activities	1,857,625	1,041,151
Net cash increase (decrease for period)	240,720	(43,863)
Cash at the beginning of period	227,146	271,009
<b>Cash at the end of period</b>	<b>467,866</b>	<b>227,146</b>

**PittMoss LLC**

**Statement of Changes in Members' Equity**

	<b>Common Units</b>	<b>Preferred Units</b>			
	<b># of Units</b>	<b># of Units</b>	<b>Contributions / (Distributions)</b>	<b>Accumulated Deficit</b>	<b>Total Members' Equity</b>
Beginning Balance at 1/1/21	7,590,821	41,865,230	\$ 4,668,363	\$ (4,357,496)	\$ 310,867
Capital Contributions	-	3,245,110	\$ 393,926		\$ 393,926
Stock-based Compensation	-		\$ 7,498		\$ 7,498
Net Income (Loss)	-		\$ -	\$ (1,133,417)	\$ (1,133,417)
Ending Balance 12/31/21	7,590,821	45,110,340	\$ 5,069,786	\$ (5,490,913)	\$ (421,127)
Capital Contributions	-	7,271,791	\$ 882,727		\$ 882,727
Stock-based Compensation	-		\$ 51,800		\$ 51,800
Net Income (Loss)	-		\$ -	\$ (1,391,884)	\$ (1,391,884)
Ending Balance 12/31/22	7,590,821	52,382,131	\$ 6,004,312	\$ (6,882,797)	\$ (878,484)