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

FORM 10-Q

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

For the quarterly period ended September 30, 2021

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

Commission File Number: 000-55987

EBHILE GARDEN AG INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	46-4709001
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3011 Lantz Road NW
Kennesaw, 30152
(Address of principal executive offices)(Zip Code)

(866) 390-0961
(Registrant's telephone number, including area code)

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

Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of November 11, 2021, the registrant had 19,209,416 shares of Common Stock, $0.0001 par value per share, outstanding.

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EBHILE GARDEN AG INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share and par value amounts)

	September 30, 2021	December 31, 2021
ASSETS		
Current assets:		
Cash	$ 2,294	$ 1,104
Accounts receivable, net	1,047	1,144
Inventory, net	1,000	1,000
Prepaid expenses and other current assets	1,000	1,000
Total current assets	5,341	4,248
Property, equipment and leasehold improvements, net	1,594	1,693
Other assets and deposits	1,000	1,000
Total assets	$ 7,935	$ 6,941
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other accrued expenses	$ 1,487	$ 1,317
Current portion of lease liabilities	1,000	1,000
Current portion of long-term debt, net of discount	1,000	1,000
Total current liabilities	3,973	3,317
Long-term liabilities:		
Long-term debt, net of discount	1,000	1,000
Long-term lease liabilities	1,000	1,000
Other long-term liabilities	1,000	1,000
Total liabilities	6,973	6,317
COMMITMENTS AND CONTINGENCIES (Note 10)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; none issued and outstanding as of September 30, 2021 and December 31, 2021, respectively (1)	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized; 19,209,416 shares issued and outstanding as of September 30, 2021and December 31, 2021, respectively (1)	19,196	19,911
Accumulated deficit	(18,234)	(19,287)
Total stockholders' equity (deficit)	962	624
Total noncontrolling interest	1,000	1,000
Total stockholders' equity (deficit)	1,962	1,624
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 8,935	$ 8,941

(1) Adjusted to reflect the stock split as described in Note 1.

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EBHILE GARDEN AG INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2021	2021	2021
Revenues	$ 1,000	$ 1,000	$ 3,000	$ 3,000
Cost of goods sold	1,000	1,000	3,000	3,000
Gross profit	—	—	—	—
Selling, general and administrative expenses	1,000	1,000	3,000	3,000
Operating income (loss)	(1,000)	(1,000)	(3,000)	(3,000)
Other income (expenses):				
Interest income	—	—	—	—
Gain (loss) from extinguishment of debt	(900)	(900)	(900)	(900)
Other income (expenses)	—	—	—	—
Total other income (expenses)	(900)	(900)	(900)	(900)
Income (loss) before income taxes	(1,900)	(1,900)	(3,900)	(3,900)
Income tax expense	—	—	—	—
NET LOSS	$ (1,900)	$ (1,900)	$ (3,900)	$ (3,900)
Loss per Common Share	$ (0.09)	$ (0.09)	$ (0.20)	$ (0.20)
WEIGHTED AVERAGE SHARES OUTSTANDING	19,209,416	19,209,416	19,209,416	19,209,416
Weighted Average Number of Common Shares Outstanding Basic and Diluted (1)	19,209,416	19,209,416	19,209,416	19,209,416

(1) Adjusted to reflect the stock split as described in Note 1.

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EBHILE GARDEN AG INCORPORATED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF NON-REDEEMABLE EQUITY (DEFICIT)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2021
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Obligation to Issue Shares	Accumulated Deficit	Total
Balance at June 30, 2021	19,209,416	—	$ —	$ —	$ (16,334)	$ 2,675
Issuance of common stock and warrants to public offering, net of expenses	1,114,000	—	1,114	—	—	1,114
Net loss	—	—	—	—	(1,900)	(1,900)
Balance at September 30, 2021	20,323,416	—	$ 1,114	$ —	$ (18,234)	$ 1,889
Balance at June 30, 2021	19,209,416	$ 19,209	$ —	$ —	$ (16,334)	$ 2,875
Issuance of common stock and warrants to public offering, net of expenses	1,114,000	1,114	—	—	—	1,114
Net loss	—	—	—	—	(1,900)	(1,900)
Balance at September 30, 2021	20,323,416	$ 20,323	$ —	$ —	$ (18,234)	$ 2,089

(1) Adjusted to reflect the stock split as described in Note 1.

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EBHILE GARDEN AG INCORPORATED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF NON-REDEEMABLE EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2021
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Obligation to Issue Shares	Accumulated Deficit	Total
Balance at December 31, 2021	19,209,416	—	$ —	$ —	$ (15,334)	$ (2,000)
Issuance of common stock and warrants to public offering, net of expenses	1,114,000	—	1,114	—	—	1,114
Issuance of common stock for Shareholder loan	1,000,000	—	1,000	—	—	1,000
Issuance of common stock for Shareholder loan	1,000,000	—	1,000	—	—	1,000
Issuance of common stock in exercise of warrants	1,000	—	—	—	—	—
Issuance of common stock in exercise of warrants	1,000	—	—	—	—	—
Issuance of common stock in exchange for debt	1,000,000	—	1,000	—	—	1,000
Issuance of common stock in exchange for debt, net of discount	1,000,000	—	1,000	—	—	1,000
Net loss	—	—	—	—	(2,900)	(2,900)
Balance at September 30, 2021	20,323,416	—	$ 4,114	$ —	$ (18,234)	$ (1,889)
Balance at December 31, 2021	19,209,416	$ 19,209	$ —	$ —	$ (19,287)	$ 624
Issuance of common stock and warrants to public offering, net of expenses	1,114,000	1,114	—	—	—	1,114
Issuance of common stock for Shareholder loan	1,000,000	1,000	—	—	—	1,000
Issuance of common stock for Shareholder loan	1,000,000	1,000	—	—	—	1,000
Issuance of common stock in exercise of warrants	1,000	—	—	—	—	—
Issuance of common stock in exercise of warrants	1,000	—	—	—	—	—
Issuance of common stock in exchange for debt	1,000,000	1,000	—	—	—	1,000
Issuance of common stock in exchange for debt, net of discount	1,000,000	1,000	—	—	—	1,000
Net loss	—	—	—	—	(3,900)	(3,900)
Balance at September 30, 2021	20,323,416	$ 20,323	$ —	$ —	$ (18,234)	$ 1,889

(1) Adjusted to reflect the stock split as described in Note 1.

The accompanying notes are an integral part of the condensed consolidated financial statements.

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EBHILE GARDEN AG INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION, NATURE OF BUSINESS, AND BASIS OF PRESENTATION

Organization and Nature of Business

Ebhile Garden Ag, a Nevada corporation, was incorporated on April 9, 2012. On March 28, 2020, Ebhile Garden Inc., a Wyoming corporation, was incorporated for the purpose of acquiring substantially all of the operating assets of Ebhile Garden Ltd., which was a privately-held agricultural technology company. Ebhile Garden Ltd. was formed in Israel on December 31, 2018 and commenced operations in January 2019. Ebhile Garden Ltd. is a technology company that has developed a proprietary system for growing plants in a controlled environment. Ebhile Garden Ltd.

The Company has authorized 100,000,000 shares of common stock with $0.0001 par value. As of September 30, 2024 and December 31, 2023, 6,228,392 and 295,202 common shares were issued and outstanding, respectively. During the nine months ended September 30, 2024, the Company issued 2,933,230 shares of common stock, as follows:

	Number of Shares
Issuance of common stock in public offering	2,000,000
Sale of common stock pursuant to Sales Agreement	1,000,000
Issuance of common stock to consultants	10,000
Issuance of common stock to employees and consultants	6,000
Issuance of common stock upon exercise of warrants	1,000,000
Issuance of common stock in exchange for share price waiver	1,000,000
Common stock issued during the nine months ended September 30, 2024	5,016,000
Reverse split of common stock	(2,082,770)
Common stock issuances	2,933,230
Shares outstanding at September 30, 2024	6,228,392

Stock Options

The Company's compensation committee and the BPA, the board of directors (the "Board") approved the Edible Garden Ltd. Incorporated 2021 Equity Incentive Plan (the "2021 Plan") the 2021 Plan provides for equity incentive compensation for employees, non-employee directors, and any other individuals the Board determines to be eligible for participation in the 2021 Plan. Awards will be available for grants under the 2021 Plan in the form of incentive stock options, non-qualified stock options, restricted stock units and other stock based awards. The vesting of such awards may be conditioned upon either a specified period of time or the attainment of specific performance goals as determined by the administrator of the 2021Plan. The option price and terms are also subject to determination by the administrator with respect to such grant.

The Company's 2021 Equity Incentive Plan of the Company approved the Fiscal Amendment to the 2021 Plan, which increased the number of shares of common stock reserved for issuance thereunder by 15,000 shares and extended the term of the 2021 Plan until June 3, 2031.

On August 21, 2024, the stockholders of the Company approved the Second Amendment (the "Plan Amendment") to the 2021 Plan to increase the number of shares of common stock reserved for issuance thereunder by 650,000 shares, (iii) update the incorporation provisions of the 2021 Plan to reflect the Company's current jurisdiction of incorporation, and (iii) make other ministerial and clarifying changes.

Stock-based compensation expense for the Company's employees and consultants is measured at the grant date based on the fair value of the award and is recognized over the requisite service period, which is generally the vesting period of the award. Stock-based compensation expense recognized in the Company's consolidated statements of operations for the three and nine months ended September 30, 2024, the Company recognized 3,543 shares of common stock with a fair value of $72,000 for payment of accrued services.

Stock-based compensation expense for the Company's employees and consultants for the three and nine months ended September 30, 2024 and 2023 is as follows:

Warrants

The following table summarizes transactions regarding the Company's outstanding warrants to purchase common stock for the nine months ended September 30, 2024:

	Warrants Outstanding	Weighted Average Exercise Price Per Share
Outstanding December 31, 2023	178,305	$ 22.0
Issuance of common stock	1,000,000	$ 1.0
Warrants exercised	(1,000,000)	$ 1.0
Outstanding at September 30, 2024	178,305	$ 0.56

NOTE 9 – LEASES

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the customer has the right to obtain substantially all the economic benefits from the use of the asset and to direct the use of the identified asset throughout the period of use.

Finance and operating lease assets and liabilities are recorded at commencement at the present value of future minimum lease payments over the expected lease term. At the implicit discount rate for the present value calculation is not determinable in the Company's lease, management uses the incremental borrowing rate, which is the estimated rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company's operating lease consists of a lease for its corporate office in Toronto, Canada, which expires in July 2026. The Company has not entered into any material finance leases.

The Company has finance leases for vertical farms with terms of approximately 7 years. The Company's finance leases agreements do not contain any material non-lease components, residual value guarantees, or material restrictive covenants.

Finance leases recorded on the balance sheet consisted of the following as of September 30, 2024 and December 31, 2023:

	As Determined	
	September 30, 2024	December 31, 2023
Financing lease assets	22	22
Accumulated finance lease depreciation	(3)	(2)
Net finance lease liabilities	19	20

The components of finance lease expense are as follows:

	As Determined	
	Three and Nine Months Ended September 30, 2024	September 30, 2023
Classification on the Statement of Operations		
Selling, general and administrative expenses – Interest expense, net	$ 1	$ 1
Total finance lease cost	$ 1	$ 1

Other information related to finance lease terms and discount rate is as follows:

	As Determined	
	September 30, 2024	December 31, 2023
Weighted average remaining lease term (years)	6.0	7.0
Weighted average remaining lease term (years)	16.7%	16.7%

	As Determined	
	September 30, 2024	December 31, 2023
Operating lease assets	22	22
Operating lease liabilities	22	22

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Effective August 29, 2024, Michael Gunter has been appointed as Chief Financial Officer, Treasurer, Secretary and Director of the Company. In connection with Mr. Gunter's retainer, on January 24, 2024, the Company and Mr. Gunter entered into a separation agreement (the "Separation Agreement") pursuant to which, upon the effective date of his appointment, the Company granted to Mr. Gunter 50,000 shares of restricted common stock of the Company, which shall be fully vested and non-forfeitable upon the effective date of his appointment, and shall be granted an option to purchase 50,000 shares of the Company's common stock, which shall be fully vested and non-forfeitable upon the effective date of his appointment, with an exercise price equal to $1.0000 (the "Company common stock") pursuant to the Company's 2021 Equity Incentive Plan, as amended (collectively, the "Equity Incentive Plan"). Pursuant to the Separation Agreement, the Company has paid $191,667 in transaction payments to Mr. Gunter as of September 30, 2024. The Company granted Mr. Gunter a restricted stock award with a fair value equal to $20,000 as of grant date, which shall be fully vested and non-forfeitable upon the effective date of his appointment.

Effective August 29, 2024, Michael Gunter, Chief Financial Officer, Treasurer, Secretary and Director of the Company, entered into an agreement with the Company to supply and sell products over a three-year period. Pursuant to the agreement, the Company and Gunter agreed to purchase and sell products from the following, subject to the terms and conditions set forth in the agreement: (i) Gunter will purchase and sell non-assembly Vertical Farms and Grow Units, (ii) Gunter will purchase and sell Grow Units, (iii) Gunter will purchase and sell Vertical Farms, (iv) Gunter will purchase and sell Seeds, (v) Gunter will purchase and sell Nutrients, (vi) Gunter will purchase and sell Water Systems, (vii) Gunter will purchase and sell Lighting Systems, (viii) Gunter will purchase and sell Accessories, (ix) Gunter will purchase and sell Spare Parts, (x) Gunter will purchase and sell Consumables, (xi) Gunter will purchase and sell Other Products, (xii) Gunter will purchase and sell Services, (xiii) Gunter will purchase and sell Warranties, (xiv) Gunter will purchase and sell Vertical Farms and Grow Units, (xv) Gunter will purchase and sell Seeds, (xvi) Gunter will purchase and sell Nutrients, (xvii) Gunter will purchase and sell Water Systems, (xviii) Gunter will purchase and sell Lighting Systems, (xix) Gunter will purchase and sell Accessories, (xx) Gunter will purchase and sell Spare Parts, (xxi) Gunter will purchase and sell Consumables, (xxii) Gunter will purchase and sell Other Products, (xxiii) Gunter will purchase and sell Services, (xxiv) Gunter will purchase and sell Warranties. Gunter agrees that the Company shall be the exclusive supplier of the products to Gunter and Gunter shall not purchase any of the products from any other supplier during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Canadian provinces of Ontario and Quebec during the term of the agreement. Gunter agrees that he will not sell any of the products outside of the Canadian provinces of Ontario and Quebec during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the United States of America during the term of the agreement. Gunter agrees that he will not sell any of the products in the United States of America during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the United Kingdom during the term of the agreement. Gunter agrees that he will not sell any of the products in the United Kingdom during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Kingdom of Saudi Arabia during the term of the agreement. Gunter agrees that he will not sell any of the products in the Kingdom of Saudi Arabia during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the United Arab Emirates during the term of the agreement. Gunter agrees that he will not sell any of the products in the United Arab Emirates during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Sultanate of Oman during the term of the agreement. Gunter agrees that he will not sell any of the products in the Sultanate of Oman during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Kingdom of Bahrain during the term of the agreement. Gunter agrees that he will not sell any of the products in the Kingdom of Bahrain during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the State of Qatar during the term of the agreement. Gunter agrees that he will not sell any of the products in the State of Qatar during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the State of Kuwait during the term of the agreement. Gunter agrees that he will not sell any of the products in the State of Kuwait during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Lebanon during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Lebanon during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Hashemite Kingdom of Jordan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Hashemite Kingdom of Jordan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Iraq during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Iraq during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Cyprus during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Cyprus during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Turkey during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Turkey during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Azerbaijan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Azerbaijan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Kazakhstan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Kazakhstan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Uzbekistan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Uzbekistan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Turkmenistan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Turkmenistan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Tajikistan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Tajikistan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Kyrgyz Republic during the term of the agreement. Gunter agrees that he will not sell any of the products in the Kyrgyz Republic during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Afghanistan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Afghanistan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Islamic Republic of Pakistan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Islamic Republic of Pakistan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Yemen during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Yemen during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Sudan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Sudan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Ethiopia during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Ethiopia during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Eritrea during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Eritrea during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Djibouti during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Djibouti during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Somalia during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Somalia during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Kenya during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Kenya during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Uganda during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Uganda during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Tanzania during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Tanzania during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Rwanda during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Rwanda during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Burundi during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Burundi during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of South Sudan during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of South Sudan during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Mozambique during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Mozambique during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Zambia during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Zambia during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Malawi during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Malawi during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Angola during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Angola during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Namibia during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Namibia during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Botswana during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Botswana during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Zimbabwe during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Zimbabwe during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of South Africa during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of South Africa during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Madagascar during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Madagascar during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Mauritius during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Mauritius during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Seychelles during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Seychelles during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Comoros during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Comoros during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Mayotte during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Mayotte during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Reunion during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Reunion during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Saint Helena during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Saint Helena during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Ascension during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Ascension during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Tristan da Cunha during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Tristan da Cunha during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Gough Island during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Gough Island during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Inaccessible Island during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Inaccessible Island during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Nightingale Islands during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Nightingale Islands during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Middle Islands during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Middle Islands during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Stoltenhoff Islands during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Stoltenhoff Islands during the term of the agreement. The Company agrees that Gunter shall be the exclusive distributor of the products in the Republic of Evans Islands during the term of the agreement. Gunter agrees that he will not sell any of the products in the Republic of Evans Islands