Risk Factors Comparison 2025-02-27 to 2024-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is subject to numerous risks. You should carefully consider the following risks and all other information contained in this Annual Report, as well as general economic and business risks, together with any other documents we file with the SEC. If any of the following events actually occur or risks actually materialize, it could have a material adverse effect on our business, operating results and financial condition and cause the trading price of our common stock to decline. Summary of Risk Factors ● We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability. ● We will need substantial additional funding to meet our financial obligations and to pursue our business objectives. If we are unable to raise capital when needed, we could be forced to curtail our planned operations. ● We have a limited history as a clinical- stage biopharmaceutical company developing and partnering our ~~drug~~ **product** candidates, which may make it difficult to evaluate the success of our business to date and to assess our future viability. ● If we are unable to successfully develop our ~~drug~~ **product** candidates and to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, or experience significant delays in doing so, our business will be harmed. ● Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel. ● We **rely heavily on** ~~intend to pursue strategic alternatives, including identifying and consummating transactions with~~ third ~~- party partners~~ **parties** ~~, to further develop, obtain marketing approval~~ for **clinical trials, manufacturing,** and ~~/~~ **development support. Their performance impacts** ~~or~~ **our timelines and** ~~commercialize our drug candidates. If those arrangements are not successful~~ **success** ~~, we may not be able to capitalize on the market potential of these drug candidates~~ . ● If we are unable to obtain and maintain patent protection for our ~~drug~~ **product** candidates, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully pursue strategic alternatives, including identifying and consummating transactions with potential third- party partners, to commercialize our technology and ~~drug~~ **product** candidates may be impaired. ● We face substantial competition, which may result in others discovering, developing or commercializing drugs before or more successfully than we do. Risks Related to Our Business, Our Financial Position and Capital Needs Since inception, we have incurred significant net losses. We incurred net losses of $ **132. 1 million and $** 88. 5 ~~million and $ 86. 9~~ million for the years ended December 31, **2024 and** 2023 ~~and 2022~~ , respectively. As of December 31, ~~2023~~ **2024** , we had an accumulated deficit of $ ~~770~~ **902** . ~~8~~ **9** million. We have financed our operations over the last several years primarily from sales of equity securities and incurring indebtedness in the form of loans from commercial lenders. We have devoted substantially all of our financial resources and efforts to the development of our ~~drug~~ **product** candidates, including preclinical studies and clinical trials. Our net losses may fluctuate significantly from quarter to quarter and year to year. We expect to continue to incur significant expenses and operating losses in the near term as we: ● pursue strategic alternatives, including identifying and seeking to consummate transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates; ● continue to develop our ~~drug~~ **product** candidates; ● continue to discover and develop additional ~~drug~~ **product** candidates; ● maintain, expand and protect our intellectual property portfolio; and ● incur legal, accounting, investor relations and other administrative expenses in operating as a public company. To become and remain profitable, we must succeed in a range of challenging activities, including completing preclinical testing and clinical trials of our ~~drug~~ **product** candidates and pursuing strategic alternatives, including identifying and consummating transactions with third- party partners, for the further development and / or commercialization of our ~~drug~~ **product** candidates, as well as discovering and developing additional ~~drug~~ **product** candidates. We are in the early stages of most of these activities. We may never succeed in these activities and, even if we do, may never earn revenue from our ~~drug~~ **product** candidates that is significant enough to achieve profitability. For any of our ~~drug~~ **product** candidates, our revenue will be dependent, in part, upon our ability to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize those ~~drug~~ **product** candidates. Further, we will be dependent on our potential third- party partners' ability to obtain marketing approval and successfully commercialize the product, upon the size of the markets in the territories where marketing approval is obtained, the accepted price for the product, and the ability to obtain coverage and reimbursement, if any. If we fail to identify and enter into partnerships with third parties to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, any partnerships we enter into do not result in the successful development, marketing approval for and commercialization of our ~~drug~~ **product** candidates, the number of addressable patients is not as significant as estimated by our potential third- party partners, the indication approved by regulatory authorities is narrower than expected, or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not earn significant revenue from agreements with potential third- party partners for such ~~drug~~ **product** candidates, even if the ~~drug~~ **product** candidates are approved for marketing. Because of the numerous risks and uncertainties associated with drug development, we are unable to accurately predict the timing or amount of expenses or when, or if, we will be able to achieve profitability. If we are required by regulatory authorities to perform studies in addition to those expected, or if there are any delays in the initiation and completion of our clinical trials, the development of any of our ~~drug~~ **product** candidates or the identification and consummation of transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, our expenses could increase. Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company

and could impair our ability to raise capital, expand our business, maintain our development efforts ~~, diversify our offerings~~ or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment. We will need substantial additional funding to meet our financial obligations and to pursue our business objectives. If we are unable to raise capital when needed, we could be forced to curtail our planned operations. Identifying potential ~~drug~~ **product** candidates and conducting preclinical testing and clinical trials is a time- consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. We expect to incur significant expenses and operating losses for the foreseeable future as we advance our ~~drug~~ **product** candidates from discovery through preclinical and clinical development. In addition, we may not be able to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, and our ~~drug~~ **product** candidates, if approved, may not achieve commercial success. Furthermore, we incur and expect to continue to incur significant costs associated with operating as a public company, including legal, accounting, investor relations and other expenses. As of December 31, ~~2023~~ **2024**, we had cash, cash equivalents and marketable securities of $ ~~181~~ **203**. 9 million. We believe that our existing cash, cash equivalents and marketable securities as of the date of this Annual Report will enable us to fund our operating expenses and capital expenditure requirements for a period greater than 12 months from the date of this report based on our current operating assumptions. These assumptions may prove to be wrong, and we could use our available capital resources sooner than we expect. Changes may occur beyond our control that would cause us to consume our available capital before that time, including changes in and progress of our development activities, acquisitions of ~~additional~~ products or ~~drug~~ **product** candidates, and changes in regulation. Our future capital requirements will depend on many factors, including: ● the number and development requirements of the ~~drug~~ **product** candidates that we may pursue; ~~22~~ ● the scope, progress, results and costs of preclinical development, laboratory testing and conducting preclinical and clinical trials for our ~~drug~~ **product candidates; 24 ● the costs, timing and outcome of regulatory review of our product** candidates; ● the ~~costs, timing and outcome of regulatory review of our drug candidates; ● the~~ extent to which we in- license or acquire ~~drug~~ **product** candidates and technologies; ● the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property- related claims; ● our ability to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates; and ● our ability to earn revenue from licenses to, or partnerships or other arrangements with, third parties. We will require additional capital to develop our ~~drug~~ **product** candidates and to support our discovery efforts. Additional funds may not be available on a timely basis, on commercially acceptable terms, or at all, and such funds, if raised, may not be sufficient to enable us to continue to implement our long- term business strategy. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions caused by a variety of factors including geopolitical tensions ~~, rising interest rates~~ and inflationary pressures. If we are unable to raise sufficient additional capital or generate revenue from transactions with potential third- party partners for the development and / or commercialization of our ~~drug~~ **product** candidates, we could be forced to curtail our planned operations. Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies, intellectual property, potential future revenue streams or ~~drug~~ **product** candidates. Until such time, if ever, as we can earn substantial revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings and license and partnership agreements. To the extent that we raise additional capital through the sale of equity securities or convertible debt securities, our stockholders' ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through partnerships, strategic alliances or marketing, distribution or licensing arrangements with potential third- party partners, we may be required to relinquish valuable rights to our technologies, intellectual property, potential future revenue streams, or ~~drug~~ **product** candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements with third parties when needed, we may be required to delay, limit, reduce or terminate our drug development efforts or grant rights to third parties to develop technologies, intellectual property, or ~~drug~~ **product** candidates that we would otherwise prefer to develop ourselves. We have a limited history as a clinical- stage biopharmaceutical company developing and partnering our ~~drug~~ **product** candidates, which may make it difficult to evaluate the success of our business to date and to assess our future viability. Our operations over the last several years have been largely focused on undertaking preclinical studies and conducting clinical trials, drug discovery, acquiring new ~~drug~~ **product** candidates and related intellectual property, and raising capital. We have had limited time to demonstrate our ability to successfully develop, manufacture and identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer history of being a clinical- stage biopharmaceutical company focused on developing and partnering ~~drugs~~ **product candidates**. We may also encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives. **Certain estimates of market opportunity and forecasts may prove to be smaller than we believe. The estimates of market opportunity and forecasts of market growth included in documents that we file with the SEC may prove to be smaller than we believe, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all. Our projections of addressable patient populations within the indications we pursue are based on our estimates and independent market research, industry and general publications obtained from third parties. Market opportunity estimates and growth forecasts included in this Annual Report and the other documents**

that we file with the SEC are subject to significant uncertainty and are based on assumptions and estimates. These estimates, which have been derived from a variety of sources, including scientific literature and market 25research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these indications. Additionally, the potentially addressable patient population may not ultimately be amenable to treatment with our product candidates. Our market opportunity may also be limited by current and future products of our competitors that are already available in the market or may enter the market for such patients. If any of our estimates prove to be inaccurate, the market opportunity for our product candidates could be significantly diminished and have an adverse material impact on our business. Risks Related to the Development and Potential Commercialization of Our ~~Drug~~ **Product CandidatesBiologics carry unique risks and uncertainties, which could have a negative impact on future results of operations. The successful discovery, development, manufacturing and sale of biologics is a long, expensive and uncertain process. There are unique risks and uncertainties with biologics. For example, access to and supply of necessary biological materials, such as cell lines, may be limited and governmental regulations restrict access to and regulate the transport and use of such materials. In addition, the development, manufacturing and sale of biologics is subject to regulations that are often more complex and extensive than the regulations applicable to other pharmaceutical products. Manufacturing biologics, especially in large quantities, is often complex and may require the use of innovative technologies. The types of analytical development data necessary for verifying structural biocomparability when changing manufacturing sites is also more difficult and complex to generate for biologics than for other pharmaceutical products. Such manufacturing also requires facilities specifically designed and validated for this purpose and sophisticated quality assurance and quality control procedures. Biologics are also frequently costly to manufacture because production inputs are derived from living animal or plant material, and some biologics cannot be made synthetically. In addition, the regulatory scrutiny of and landscape for the chemistry, manufacturing and analytical controls information is also considered to be more complex for biologics than other pharmaceutical products. Failure to successfully discover, develop and manufacture our biological product** ~~CandidatesWe~~ -- **candidates would adversely impact our business and future results of operations. We** may not be successful in our efforts to identify and develop additional ~~drug~~ **product** candidates **, including through** leveraging our KINect drug discovery platform. A key element of our approach is to **identify and develop additional novel product candidates, including through** ~~leverage~~ **leveraging** our KINect drug discovery engine ~~to identify and develop additional novel drug candidates~~. Our platform is powered by a unique combination of our proprietary chemical library of kinase ~~23inhibitors~~ -- **inhibitors** , our novel approaches to inhibitor modalities, our expertise in SBDD, and our custom kinase assays. Our ability to identify and develop additional ~~drug~~ **product** candidates is subject to numerous risks, including that: ● our drug discovery methods and our KINect platform may not be successful in identifying additional ~~drug~~ **product** candidates; ● our discovery programs may initially show promise in identifying potential ~~drug~~ **product** candidates, yet fail to yield ~~drug~~ **product** candidates for clinical development; and ● potential ~~drug~~ **product** candidates may, on further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be ~~drug~~ **product** candidates that will receive marketing approval and achieve market acceptance. In addition, discovery programs require substantial technical, financial and human resources. We may not be able to maintain sufficient resources and expertise to discover additional ~~drug~~ **product** candidates. It could take years to identify a viable ~~drug~~ **product** candidate, and there is a risk that we may never do so. If we are unable to identify successful ~~drug~~ **product** candidates for preclinical and clinical development and regulatory approval in a timely matter or at all, we could experience significant delays or an inability to successfully pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, which could harm our business. ~~If~~ **26If** we are unable to successfully develop our ~~drug~~ **product** candidates and to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, or experience significant delays in doing so, our business will be harmed. We have invested significant efforts and financial resources in the development of our ~~drug~~ **product** candidates and the identification of potential ~~drug~~ **product** candidates. Our ability to earn substantial revenue from our ~~drug~~ **product** candidates will depend heavily on our ability to successfully develop and pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize these ~~drug~~ **product** candidates. The success of any ~~drug~~ **product** candidates that we develop will depend on several factors, including: ● successful completion of preclinical studies and our clinical trials; ● successful development of manufacturing processes; ● receipt of timely approvals from applicable regulatory authorities; ● the identification and consummation of transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates; ● the commercial launch of our ~~drug~~ **product** candidates, if approved, by a potential third- party partner; ● our potential third- party partners' ability to achieve acceptance of our ~~drug~~ **product** candidates, if approved, by patients, the medical community and third- party payors, and willingness of patients to pay out of pocket for our ~~drug~~ **product** candidates when third- party payor coverage and reimbursement is limited or unavailable; ● our potential third- party partners' ability to achieve success in educating physicians and patients about the benefits, administration and use of our ~~drug~~ **product** candidates, if approved; ● the prevalence and severity of adverse events experienced with our ~~drug~~ **product** candidates; ● the availability, perceived advantages, cost, safety and efficacy of alternative treatments for the proposed indications of our ~~drug~~ **product** candidates; ● obtaining and maintaining patent, trademark and trade secret protection and regulatory exclusivity for our ~~drug~~ **product** candidates and otherwise protecting the intellectual property portfolio; ● maintaining compliance with regulatory requirements, including ~~current good manufacturing practices, or~~ cGMPs; ● our potential third- party partners' ability to compete effectively with other treatment procedures; and ● our potential third- party partners' ability to maintain a continued acceptable safety, tolerability and efficacy profile of our ~~drug~~ **product** candidates

following marketing approval. Whether marketing approval will be granted is unpredictable and depends upon numerous factors, including the substantial discretion of the regulatory authorities. Our ~~drug~~ **product** candidates' success in clinical trials will not guarantee marketing approval. Following submission, the NDA **or BLA** for any ~~drug~~ **product** candidate may not be accepted for substantive review, or even if it is accepted for substantive review the FDA or other comparable foreign regulatory authorities may require additional studies or clinical trials, additional data, or additional manufacturing steps, or require other conditions before ~~24they~~ -- **they** will reconsider or approve the application, which could increase costs and cause delays in the marketing approval process and which may require the expenditure of additional resources. These delays would also impact our ability to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. In addition, the FDA or other comparable foreign regulatory authorities may not consider sufficient any additional required studies, clinical trials, data or information that we perform and complete or generate, or we may decide to abandon the program. It is possible that our ~~drug~~ **product** candidates currently in development will never obtain marketing approval. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, which would harm our business. ~~Clinical~~ **27Clinical** drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of ~~and pursue~~ **our product candidates or pursuing** strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. The risk of failure for our ~~drug~~ **product** candidates is high. It is impossible to predict when or if any of our ~~drug~~ **product** candidates will prove effective or safe in humans or will receive marketing approval. Before obtaining regulatory approval for the sale of any ~~drug~~ **product** candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our ~~drug~~ **product** candidates in humans for use in the target indication. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is inherently uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. For example, in ~~March~~ 2023 we announced that ~~our~~ **zunsemetinib failed to meet the endpoints in** Phase **2 trials** ~~2a study of zunsemetinib~~ in ~~patients with~~ **rheumatoid arthritis and** hidradenitis suppurativa ~~did not meet its primary or second efficacy endpoints, and in November 2023, we announced that our Phase 2b study of zunsemetinib in patients with rheumatoid arthritis did not meet its primary or second efficacy endpoints~~, following which we discontinued further development of our MK2 inhibitor programs in immuno- inflammatory diseases ~~, including halting enrollment in our Phase 2a study of zunsemetinib in patients with psoriatic arthritis~~. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their ~~drug~~ **product** candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drugs. **Additionally, we may utilize an " open- label " clinical trial design. For example, our current Phase 2a trial of ATI- 2138 is an " open- label " trial. An " open- label " clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most open- label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open- label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open- label clinical trials are aware when they are receiving treatment. Open- label clinical trials may be subject to a " patient bias " where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open- label clinical trials may be subject to an " investigator bias " where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The results from an open- label trial may not be predictive of future clinical trial results of a product candidate when studied in a controlled environment with a placebo or active control.** We may experience numerous unforeseen events during or as a result of clinical trials that could delay or prevent our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, including: ● regulators or IRBs may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site; ● we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites or prospective contract research organizations ~~, or~~ **("** CROs **")**, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; ● clinical trials of our ~~drug~~ **product** candidates may produce negative or inconclusive results, including failure to demonstrate statistical significance, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs; ● the number of patients required for clinical trials of our ~~drug~~ **product** candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials or fail to return for post- treatment follow- up at a higher rate than we anticipate; ● **patients** ~~our~~ - **or** ~~drug~~ **clinical trial investigators may not comply with or may deviate from the clinical trial protocol, including failing to follow specified testing procedures, schedules, or other protocol requirements, which could impact the integrity of clinical trial data and potentially jeopardize the trial; ● while a product candidate may show evidence of clinical activity, we may experience a high placebo effect which will make it difficult to show a statistically significant effect of the product candidate as compared to the control arm; 28 ● our product** candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs to suspend or terminate the trials; ● our third- party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely

manner, or at all; ~~25~~ ● regulators or IRBs may require that we or our investigators suspend or terminate clinical development for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks; ● the cost of clinical trials of our ~~drug~~ **product** candidates may be greater than we anticipate; and ● the supply or quality of our ~~drug~~ **product** candidates or other materials necessary to conduct clinical trials of our ~~drug~~ **product** candidates may be insufficient or inadequate. We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a data safety monitoring board for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our ~~drug~~ **product** candidates, our costs will increase, our ~~drug~~ **product** candidate development process will be slowed, the commercial prospects of our ~~drug~~ **product** candidates will be harmed, and our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates will be delayed. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our ~~drug~~ **product** candidates. If we are required to conduct additional clinical trials or other testing of our ~~drug~~ **product** candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our ~~drug~~ **product** candidates or other testing, if the results of these trials or tests are not favorable or if there are safety concerns, we may not be able to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, and our potential third- party partners may: ● be delayed in obtaining marketing approval for our ~~drug~~ **product** candidates; ● not obtain marketing approval at all; ● obtain marketing approval for indications or patient populations that are not as broad as intended or desired; ● obtain marketing approval with labeling that includes significant use or distribution restrictions or safety warnings; ● be subject to additional post- marketing testing requirements; or ● have the drug removed from the market after obtaining marketing approval. Our drug development costs will also increase if we experience delays in testing. We do not know whether any of our preclinical studies or clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant preclinical study or clinical trial delays also could shorten any periods during which our potential third- party partners may have the exclusive right to commercialize our ~~drug~~ **product** candidates or allow competitors to bring drugs to market before such third- party partners do, which would impact our ability to successfully identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. If we experience delays or difficulties in the enrollment of subjects in clinical trials, our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates could be delayed or prevented. Successful and timely completion of clinical trials will require that we enroll a sufficient number of subjects. Subject enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population. Trials may be subject to delays as a result of subject enrollment taking longer than anticipated or subject withdrawal, including as a result of factors beyond our control. We may not be able to initiate or ~~continue~~ **29continue** clinical trials for our ~~drug~~ **product** candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. We cannot predict how successful we will be at enrolling subjects in future clinical trials. Subject enrollment is affected by other factors including: ~~26~~ ● the eligibility criteria for the trial in question; ● the perceived risks and benefits of the ~~drug~~ **product** candidate in the trial; ● the availability of drugs approved to treat the disease in the trial; ● the efforts to facilitate timely enrollment in clinical trials; ● the patient referral practices of physicians; ● the ability to monitor ~~patients~~ **subjects** adequately during and after treatment; and ● the proximity and availability of clinical trial sites for prospective ~~patients~~ **subjects** . Our inability to enroll a sufficient number of subjects for clinical trials would result in significant delays and could require us or them to abandon one or more clinical trials altogether. Enrollment delays in these clinical trials may result in increased development costs for our ~~drug~~ **product** candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing. Furthermore, we rely on and expect to continue to rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and we will have limited influence over their performance. Any delays in completing clinical trials would delay or prevent our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. Our clinical trials may fail to demonstrate the safety and efficacy of our ~~drug~~ **product** candidates, or serious adverse or unacceptable side effects may be identified during the development of our ~~drug~~ **product** candidates, which could increase our costs or necessitate the abandonment or limitation of the development of our ~~drug~~ **product** candidates or prevent or delay our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. If our ~~drug~~ **product** candidates are associated with side effects in clinical trials or have characteristics that are unexpected, our costs could increase or we may need to abandon their development or limit development to more narrow uses in which the side effects or other characteristics are less prevalent, less severe or more acceptable from a risk- benefit perspective. The FDA or an IRB may also require that we suspend, discontinue, or limit our clinical trials based on safety information. Such findings could further result in regulatory authorities failing to provide marketing authorization for our ~~drug~~ **product** candidates. Many ~~drug~~ **product** candidates that initially showed promise in early -

stage testing have later been found to cause side effects that prevented further development of the ~~drug~~ **product** candidate. Before any potential third- party partners can obtain marketing approvals for the commercial sale of our ~~drug~~ **product** candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our ~~drug~~ **product** candidates are both safe and effective for use in each target indication, and failures can occur at any stage of testing. Clinical trials often fail to demonstrate safety and efficacy of the ~~drug~~ **product** candidate studied for the target indication. Additionally, if we or others identify undesirable side effects caused by our ~~drugs~~ **product candidates** , a number of potentially significant negative consequences could result, including: ● we may need to abandon the development or limit the further development of our ~~drug~~ **product** candidates, including in various populations and for certain indications; ● regulatory authorities may withdraw approval to market such product; ● regulatory authorities may require additional warnings on the labels; ● a medication guide outlining the risks of such side effects for distribution to patients may be required; ● we could be sued and held liable for harm caused to patients; ● our reputation and physician or patient acceptance of our ~~drug~~ **product** candidates, if approved, may suffer; and ● our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates would be harmed. ~~Any~~ **30Any** of these events could prevent us from pursuing strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize the particular ~~drug~~ **product** candidate and could significantly harm our business, results of operations and prospects. ~~27Interim --~~ **Interim** , topline and preliminary data from our clinical trials that we announce or publish from time to time may change as more subject data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publicly disclose interim, topline or preliminary data from our clinical trials, which are based on a preliminary analysis of then- available data, and the results and related findings and conclusions are subject to change following a full analysis of all data related to the particular trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. In addition, we may report preliminary analyses of only certain endpoints rather than all endpoints. As a result, the interim, topline or preliminary results that we report may differ from future results of the same trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim, topline and preliminary data should be viewed with caution until the final data are available. We may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as subject enrollment continues and more subject data become available. Adverse differences between interim, topline or preliminary data and final data could significantly harm our reputation and business prospects. Further, disclosure of interim, topline or preliminary data by us or by our competitors could result in volatility in the price of our common stock. Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the potential of the particular program, the likelihood of marketing approval or commercialization of the particular ~~drug~~ **product** candidate, any approved product, and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is derived from information that is typically extensive, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular program, ~~drug~~ **product** candidate or our business. If the interim, topline or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates may be harmed, which could harm our business, operating results, prospects or financial condition. Changes in methods of ~~drug~~ **product** candidate manufacturing or formulation may result in additional costs or delay. As ~~drug~~ **product** candidates are developed through preclinical studies to late- stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and may also require additional testing, FDA notification or FDA approval. Any of these changes could cause our ~~drug~~ **product** candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our ~~drug~~ **product** candidates and jeopardize our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. ~~We~~ **31We** have conducted and may in the future conduct clinical trials for our ~~drug~~ **product** candidates outside the United States. The FDA, EMA or comparable foreign regulatory authorities may not accept data from such trials. We have conducted and may in the future conduct clinical trials for our ~~drug~~ **product** candidates outside **the United States. In addition, our partners may conduct clinical trials for our product candidates outside of the United States that we or our potential third- party partners may try to leverage to seek marketing approval in** the United States. The acceptance of trial data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authorities may be subject to certain conditions or may not be accepted at all **. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless the data are applicable to the U. S. population and U. S. medical practice, the trials were performed by clinical investigators of recognized competence and pursuant to GCP**

regulations, and the FDA can validate the data through on- site inspections or other appropriate means. Additionally, the FDA' s clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met . Such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA, EMA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA, EMA or any comparable regulatory authority does ~~28not~~ -- **not** accept such data, it would result in the need for additional trials, which would be costly and time- consuming and delay aspects of our business plan, and which may result in our ~~drug~~ **product** candidates not receiving approval or clearance for commercialization in the applicable jurisdiction. In addition, any escalation of political tensions, economic instability, military activity or civil hostilities outside the United States could disrupt our ability to conduct trials outside of the United States, or delay or adversely affect the timeliness of such trials. This could result in the need for alternative trial sites, which could be costly and time- consuming and delay the clinical development of our ~~drug~~ **product** candidates. We may not be successful in our efforts to increase our pipeline of ~~drug~~ **product** candidates, including by in- licensing or acquiring additional ~~drug~~ **product** candidates. A key element of our strategy is to build and expand our pipeline of ~~drug~~ **product** candidates. To build our pipeline, we may seek to in- license or acquire additional ~~drug~~ **product** candidates, in addition to our in- house capabilities. We may not be able to identify or develop ~~drug~~ **product** candidates that are safe, tolerable and effective. Even if we are successful in continuing to build our pipeline, the potential ~~drug~~ **product** candidates that we develop, in- license or acquire may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to ~~be drugs that will~~ receive marketing approval and achieve market acceptance. We may expend our limited resources to pursue a particular ~~drug~~ **product** candidate or indication and fail to capitalize on ~~drug~~ **product** candidates or indications that may be more profitable or for which there is a greater likelihood of success. Because we have limited financial and management resources, we focus on development programs and ~~drug~~ **product** candidates that we identify for specific indications or therapeutic areas. As a result, we may forego or delay pursuit of opportunities with other ~~drug~~ **product** candidates or for other indications or therapeutic areas that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial ~~drugs~~ **products** or profitable market opportunities. Our spending on current and future development programs and ~~drug~~ **product** candidates for specific indications or therapeutics areas may not yield any commercially viable ~~drugs~~ **products** . If we do not accurately evaluate the commercial potential or target market for a particular ~~drug~~ **product** candidate, we may relinquish valuable rights to that ~~drug~~ **product** candidate through partnerships, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such ~~drug~~ **product** candidate. For any of our ~~drug~~ **product** candidates that receive marketing approval, our potential third- party partners may fail to achieve the degree of market acceptance by physicians, patients, third- party payors and others in the medical community necessary for commercial success. For any of our ~~drug~~ **product** candidates that receive marketing approval, our potential third- party partners may fail to gain sufficient market acceptance by physicians, patients, third- party payors and others in the medical community. If such third- party partners fail to obtain an adequate level of acceptance for our ~~drug~~ **product** candidates, we may not earn significant ~~revenue~~ **32revenue** and we may not become profitable. The degree of market acceptance of any ~~drug~~ **product** candidate, if approved, will depend on a number of factors, including: ● the efficacy, safety and potential advantages compared to alternative treatments; ● our potential third- party partners' ability to offer the products for sale at competitive prices; ● the convenience and ease of administration compared to alternative treatments; ● the willingness of the target patient population to try new treatments and of physicians to prescribe these treatments; ● the ability of our potential third- party partners to retain a sales force; ● the strength of our potential third- party partners' marketing and distribution support; ● the availability of third- party payor coverage and adequate reimbursement or the willingness of patients to pay for these products; ● the prevalence and severity of any side effects; and ● any restrictions on the use of our products together with other medications. ~~29We~~ **We** face substantial competition, which may result in others discovering, developing or commercializing drugs before or more successfully than we do. The development and commercialization of new drugs is highly competitive. We will face competition with respect to any ~~drug~~ **product** candidates that we may seek to develop or through our potential third- party partners, commercialize, in the future, from many different sources, including major pharmaceutical, biotechnology and specialty pharmaceutical companies, academic institutions and governmental agencies and public and private research institutions. ~~With respect to ATI~~ **For our product candidate bosakitug targeting TSLP, we face direct competition from companies developing TSLP** - ~~1777 as~~ **targeted therapies, including Amgen and AstraZeneca (tezepelumab), KeyMed Biosciences (CM- 326), Uniquity Bio (solrikitug), Windward Bio (WIN378), Tavotek Biotherapeutics (TAVO101), GSK (GSK5784283), and UpStream Bio (verekutig). As** a potential treatment ~~for~~ **of** atopic dermatitis **with bosakitug** , **we compete with companies** ~~there are several different types of therapies in the atopic dermatitis market~~ **marketing or developing** ~~, such as~~ biologics, ~~oral and topical corticosteroids, oral and topical calcineurin inhibitors, oral mycophenolate products, other~~ JAK inhibitors ~~,~~ **and** other **therapeutic classes** ~~oral antibiotics and antihistamines and phototherapy. There are also several prescription, non- prescription and OTC topical products, including PDE4 inhibitors, utilized to treat atopic dermatitis. These types of drugs are produced and sold, or are approved for marketing, by large pharmaceutical companies~~ , including AbbVie **(upadacitinib)** , Incyte **(ruxolitinib)** , LEO Pharma A / S **(delgocitinib)** , Pfizer **(crisaborole; abrocitinib), Eli Lilly (lebrikizumab), Dermavant Sciences (tapinarof)** , and Regeneron Pharmaceuticals and Sanofi **(dupilumab)** . **We also compete with these and other** ~~In addition, we are aware of a number of~~ companies **with respect to other indications of interest for bosakitug,** including ~~large pharmaceutical~~ **asthma, CRSwNP and COPD. For ATI- 2138, our dual ITK / JAK inhibitor product candidate, we face competition from** companies ~~,~~ **developing selective ITK inhibitors** such as ~~Amgen~~ **Corvus Pharmaceuticals (soquelitinib)** . ~~Dermavant Sciences~~ **as well as companies marketing or developing JAK inhibitors including Pfizer (tofacitinib, abrocitinib, and ritlecitinib)** , Eli Lilly ~~, LEO Pharma A~~ / ~~S and Pfizer~~ **Incyte**

(baricitinib) , ~~developing~~ and **AbbVie (upadacitinib). We also** ~~conducting clinical trials for investigational drug candidates that could~~ compete with **these and other companies marketing or developing other therapeutic classes with respect to indications of interest for** ATI- ~~1777~~ **2138** , **including** ~~in each case if approved, for the treatment of~~ atopic dermatitis **, alopecia areata and vitiligo** . The commercial opportunity for our ~~drug~~ **product** candidates, if approved, could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than a ~~drug~~ **product** that we may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than our potential third- party partners ~~.~~ may obtain approval for our ~~drug~~ **product** candidates, which could result in our competitors establishing a strong market position before our ~~drug~~ **product** candidates are able to enter the market. Many of the companies against which we are competing, or against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, and preclinical and clinical development than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or that may be necessary for, our development programs. ~~The~~ **33The** success of our ~~drug~~ **product** candidates, if approved, will depend significantly on coverage and adequate reimbursement or the willingness of patients to pay for these products. We believe the success of our ~~drug~~ **product** candidates, if approved, will depend on obtaining and maintaining coverage and adequate reimbursement as a prescription treatment or **,** in the absence of coverage and adequate reimbursement, on the extent to which patients will be willing to pay out of pocket for these prescription drug products. Third- party payors determine which prescription drug products they will cover and establish reimbursement levels. Reimbursement by a third- party payor may depend upon a number of factors, including: the third- party payor' s determination that a product is safe, effective, and medically necessary; appropriate for the specific patient; cost- effective; supported by peer- reviewed medical journals or current clinical practice guidelines; and whether there are competitive products, either branded or generic, and the pricing of those products. Many private third- party payors, such as managed care plans, manage access to drug products' coverage partly to control costs for their plans, and may use drug formularies and medical policies to limit their exposure. Obtaining and maintaining favorable reimbursement can be a time- consuming and expensive process, and our potential third- party partners may not be able to negotiate or continue to negotiate reimbursement or pricing terms for our products with third- party payors at levels that are profitable to us, or at all. Further, coverage policies and third- party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products which receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. In addition to uncertainties surrounding coverage policies, there are periodic changes to reimbursement. Third- party payors regularly update reimbursement amounts and also from time to time revise the methodologies used to determine reimbursement amounts. Accordingly, these updates could impact the demand for our ~~drug~~ **product** candidates, if ~~30approved~~ - - **approved** . Our ~~drug~~ **product** candidates, if approved, may not be considered cost effective, and government and third- party private health insurance coverage and reimbursement may not be available to patients or sufficient to allow our potential third- party partners to sell our ~~drug~~ **product** candidates, if approved, on a competitive and profitable basis **. For example, the IRA among other things, (1) directs HHS to negotiate the price of certain single- source drugs and biologics that have been on the market for at least 7 years covered under Medicare, and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation** . Our results of operations could be adversely affected by the Affordable Care Act **, the IRA,** and by other health care legislative reforms that may be enacted or adopted in the future **, particularly in light of the recent U. S. Presidential and Congressional elections** . In addition, increasing emphasis on managed care in the United States will continue to put pressure on the pricing of pharmaceutical products. Cost control initiatives could decrease the price that our potential third- party partners could receive for any of our ~~drug~~ **product** candidates, if approved, and could adversely affect our profitability. We cannot predict how pending and future health care legislation will impact our business, and any changes in coverage and reimbursement that further restricts coverage of our ~~drug~~ **product** candidates could harm our business. Foreign governments also have their own healthcare reimbursement systems, which vary significantly by country and region, and we cannot be sure that coverage and adequate reimbursement will be made available with respect to our ~~drug~~ **product** candidates, if approved, under any foreign reimbursement system. In some foreign countries, including major markets in the European Union and Japan, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take up to 12 months or longer after the receipt of regulatory marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a pharmacoeconomic study that compares the cost- effectiveness of our ~~drug~~ **product** candidate to other available therapies. Such pharmacoeconomic studies can be costly and the results uncertain. Our business could be harmed if reimbursement of our ~~drug~~ **product** candidates, if approved, is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels. Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any of our ~~drug~~ **product** candidates that we may develop and are commercialized by our potential third- party partners or impact any commercial products that we have previously sold or are being sold by third- party partners. We face an inherent risk of product liability exposure related to the testing of our ~~drug~~ **product** candidates in human clinical trials and ~~an even greater risk~~ relating to any of our commercial products that we have previously sold or are being sold by third- party partners. If we cannot successfully defend ourselves against claims that our commercial products that we have previously ~~sold~~ **34sold** or are being sold by third- party partners, or ~~drug~~ **product** candidates, caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, product liability claims may result in: ● decreased demand for any ~~drug~~

product candidates that we may develop and, if approved, are commercialized by our potential third- party partners; ● injury to our reputation and significant negative media attention; ● withdrawal of clinical trial participants; ● significant costs to defend the related litigation; ● substantial monetary awards paid to trial participants or patients; ● loss of revenue; ● reduced resources of our management to pursue our business strategy; and ● our inability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. We currently hold $ 10 million in product liability insurance coverage in the aggregate, with a per incident limit of $ 10 million, which may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may need to increase our insurance coverage and we may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Risks Related to Our Dependence on Third PartiesWe rely on third parties to conduct clinical trials for our ~~drug~~ **product** candidates, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials. We engage CROs to conduct clinical trials of our ~~drug~~ **product** candidates. We expect to continue to rely on third parties, such as clinical data management organizations, medical institutions and clinical investigators, to conduct those clinical trials. If any of our relationships with these third parties terminate, we may not be able to timely enter into arrangements with alternative third parties or to do so on commercially reasonable terms, if at all. In addition, any third parties conducting ~~31our~~ -- **our** clinical trials will not be our employees, and except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our clinical programs. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. Consequently, our results of operations and the commercial prospects for our ~~drug~~ **product** candidates would be harmed, our costs could increase substantially and our ability to earn revenue from those partnerships could be delayed significantly. Switching or adding CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects. We rely on these parties for execution of our preclinical studies and clinical trials, and generally do not control their activities. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as ~~good clinical practices, or~~ GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government- sponsored database, ClinicalTrials. gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions. If we or any of our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving ~~marketing~~ **35marketing** applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with drug product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the marketing approval process for our potential third- party partners. We also rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our ~~drug~~ **product** candidates or commercialization of our ~~drug~~ **product** candidates, if approved, producing additional losses and depriving us of potential revenue. We contract with third parties for the manufacture and supply of our ~~drug~~ **product** candidates for preclinical and clinical testing. This reliance on third parties increases the risk that we will not have sufficient quantities of our ~~drug~~ **product** candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development efforts. We do not have any manufacturing facilities. We **have not developed the ability to manufacture drug product ourselves, nor have we developed the capabilities to manufacture biologics. We** currently rely, and expect to continue to rely, on third parties for the manufacture and supply of our ~~drug~~ **product** candidates for preclinical and clinical testing. This reliance on third parties increases the risk that we will not have sufficient quantities of our ~~drug~~ **product** candidates at an acceptable cost and / or quality, which could delay, prevent or impair our ability to timely conduct our clinical trials or our other development efforts. **We currently use manufacturers in China to manufacture certain product candidates for use in our clinical trials. For example, we currently rely on WuXi Biologics (Hong Kong) Limited (" WuXi ") for the production of product necessary to complete our upcoming clinical trial for bosakitug. There have been Congressional legislative proposals, such as the bill titled the BIOSECURE Act, which would, among other things, prohibit U. S. federal funding in connection with biotechnology equipment or services produced or provided by certain named Chinese " biotechnology companies of concern " (which includes WuXi) and loans and grants to, and federal contracts with, any entity that uses biotechnology equipment or services from one of these entities in performance of the government contract, grant, or loan. The legislation would also give the federal government the authority to name additional " biotechnology companies of concern " that are engaged in research activities with the Chinese government and that pose a risk of U. S. national security. We continue to monitor the status of the BIOSECURE Act, the implementation of which could materially**

impact our agreement with WuXi or other Chinese companies. If this or similar legislation is adopted, or additional manufacturers are added to the list of companies of concern, we may need to find replacement manufacturers, which we may not be able to do on a timely basis, the result of which could delay, prevent or impair our ability to timely conduct our clinical trials or our other development efforts and adversely affect our business. The facilities used by our contract manufacturers to manufacture our ~~drug~~ **product** candidates must be approved by the FDA or comparable foreign regulatory authorities pursuant to inspections that will be conducted after the NDA **, BLA** or comparable marketing application is submitted to the FDA or other regulatory authority. We do not have control over a supplier' s or manufacturer' s compliance with laws, regulations and applicable cGMP standards and other laws and regulations, such as those related to environmental health and safety matters. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our ~~drug~~ **product** candidates or if it withdraws any such approval in the future, we may need to find alternative ~~32manufacturing~~ **manufacturing** facilities, which could significantly impact our ability to develop, and identify and consummate transactions with third- party partners to further develop, obtain marketing approval for and / or commercialize, our ~~drug~~ **product** candidates. We may be unable to establish any agreements with future third- party manufacturers or do so on acceptable terms. Even if we are able to establish agreements with third- party manufacturers, reliance on third- party manufacturers entails additional risks, including: ● reliance on the third party for regulatory compliance and quality assurance; ● the possible breach of the manufacturing agreement by the third party; ● the possible misappropriation of our proprietary information, including our trade secrets and know- how; ● the possible increase in costs by our third- party suppliers for the active pharmaceutical ingredients for our ~~drug~~ **36product** candidates; and ● the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us. Third- party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third- party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our ~~drug~~ **product** candidates. Our ~~drug~~ **product** candidates may compete with other products and ~~drug~~ **product** candidates for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval of our ~~drug~~ **product** candidates **. Additionally, the loss of or damage to our cell banks maintained at these third- party manufacturers could significantly delay our development efforts, as establishing and qualifying new cell banks would require substantial time and resources** . If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. We may incur added costs and delays in identifying and qualifying any such replacement. We do not currently have arrangements in place for redundant supply or a second source for the active pharmaceutical ingredients and / or drug product for our ~~drug~~ **product** candidates. We expect to continue to depend on third- party contract manufacturers for the foreseeable future. Our current and anticipated future dependence upon others for the manufacture of our ~~drug~~ **product** candidates may adversely affect our future profit margins and our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates on a timely and competitive basis. We intend to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. If those arrangements are not successful, we may not be able to capitalize on the market potential of these ~~drug~~ **product** candidates. We intend to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. Our likely partners for any such arrangements include large and mid- size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. If we do enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our partners dedicate to the development or commercialization of our ~~drug~~ **product** candidates. Our ability to earn revenue from these arrangements will depend on our partners' abilities to successfully perform the functions assigned to them in these arrangements. Partnerships involving our ~~drug~~ **product** candidates would pose the following risks to us: ● partners have significant discretion in determining the efforts and resources that they will apply to these arrangements; ● partners may not perform their obligations as expected; ● partners may not pursue development, marketing approval or commercialization of any ~~drug~~ **product** candidates that achieve marketing approval or may elect not to continue or renew development or commercialization ~~33programs~~ **programs** based on clinical trial results, changes in the partners' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities; ● partners may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a ~~drug~~ **product** candidate, repeat or conduct new clinical trials or require a new formulation of a ~~drug~~ **product** candidate for clinical testing; ● partners could independently develop, or develop with third parties, products that compete directly or indirectly with our ~~drug~~ **product** candidates if the partners believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours; **37** ● ~~drug~~ **product** candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own products or ~~drug~~ **product** candidates, which may cause our partners to cease to devote resources to the development and / or commercialization of our ~~drug~~ **product** candidates, if approved; ● a partner with marketing and distribution rights to one or more of our ~~drug~~ **product** candidates that

achieve marketing approval may not commit sufficient resources to the marketing and distribution of such ~~drug~~ **product** candidates; ● disagreements with partners, including disagreements over proprietary rights, contract interpretation or the preferred course of development or commercialization, might cause delays or termination of the research, development or commercialization of ~~drug~~ **product** candidates, might lead to additional responsibilities for us with respect to ~~drug~~ **product** candidates, or might result in litigation or arbitration, any of which would be time- consuming and expensive; ● partners may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation; ● partners may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and ● partnerships may be terminated for the convenience of the partner and, if terminated, we could be required to raise additional capital to pursue further development and / or commercialization of the applicable ~~drug~~ **product** candidates. Partnership agreements may not lead to development, marketing approval or commercialization of ~~drug~~ **product** candidates in the most efficient manner or at all. If a present or future partner of ours were to be involved in a business combination, the continued pursuit and emphasis on our drug development or commercialization program could be delayed, diminished or terminated. If we are not able to establish partnerships, we may have to alter our development and commercialization plans. Our ~~drug~~ development programs for our ~~drug~~ **product** candidates will require substantial additional capital. We intend to partner with pharmaceutical and biotechnology companies for the further development and / or commercialization of our ~~drug~~ **product** candidates. We face significant competition in seeking appropriate partners. Whether we reach a definitive agreement for a partnership will depend, among other things, upon our assessment of the partner' s resources and expertise, the terms and conditions of the proposed arrangement and the proposed partner' s evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject ~~drug~~ **product** candidate, the costs and complexities of manufacturing and delivering such ~~drug~~ **product** candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The partner may also consider alternative ~~drug~~ **product** candidates or technologies for similar indications that may be available to partner on and whether such a partnership could be more attractive than the one with us for our ~~drug~~ **product** candidate. Partnerships are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future partners. We may not be able to negotiate partnerships on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such ~~drug~~ **product** candidate, reduce or delay its development program or one or more of our other development programs or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities ~~34on~~ **on** our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our ~~drug~~ **product** candidates or bring them to market and generate revenue. ~~We~~ **38We** may not have access to all information regarding our ~~drug~~ **product** candidates that are subject to partnership agreements. Consequently, our ability to inform our stockholders about the status of our ~~drug~~ **product** candidates that are subject to these agreements, and our ability to make business and operational decisions, may be limited. We may not have access to all information regarding our ~~drug~~ **product** candidates that **are or** may **in the future** become subject to agreements with partners, including potentially material information about clinical trial design, execution and timing, safety and efficacy, clinical trial results, regulatory affairs, manufacturing, marketing, sales and other areas known by our **partners or** potential partners. In addition, we **have and** may **in the future** have confidentiality obligations under our agreements with such partners. Therefore, our ability to keep our stockholders informed about the status of our ~~drug~~ **product** candidates will be limited by the degree to which our partners keep us informed and by the degree to which our partners allow us to disclose information to the public or provide such information to the public themselves **. For example, we are relying on CTTQ, our partner in China, to share information about its Phase 2 trials of bosakitug in respiratory diseases** . If our partners do not timely inform us about the status of our ~~drug~~ **product** candidates that are the subject of the partnership, we may make operational and investment decisions that we would not have made had we been fully informed, which may have an adverse impact on our business, prospects, financial condition and results of operations. **We are dependent on third parties accurately generating and reporting data related to our product candidates, and their conduct could adversely affect our business. We have and may in the future acquire or in-license our product candidates at various stages of development. For example, we in- licensed bosakitug and ATI- 052 from Biosion. Our assumptions about the potential of such product candidates are partially based on data generated from preclinical studies and clinical trials conducted by Biosion. We are dependent on Biosion having conducted its research and development in accordance with the applicable protocols, informed consent, legal and regulatory requirements, and scientific standards, having accurately reported the results of all studies conducted, and having correctly collected the data from these studies. If these activities were not compliant, accurate or correct, the clinical development, regulatory approval or commercialization of such product candidates will be adversely affected. Additionally, in cases where third parties conduct clinical trials using our product candidates through partnership or licensing agreements, we face additional risks related to the conduct and outcome of those trials that are outside of our direct control. For example, issues such as poor data integrity, safety concerns, protocol violations, or failure to meet endpoints in these third- party trials could adversely impact the development timeline and regulatory approval process for those product candidates in other indications or territories, require additional studies, create negative market perception affecting future commercial potential, impact our ability to pursue strategic alternatives for such product candidates, or result in increased regulatory scrutiny across our programs.** Risks Related to Our Intellectual PropertyIf we

are unable to obtain and maintain patent protection for our ~~drug~~ **product** candidates, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and ability to successfully identify a potential third- party partner to commercialize our technology and ~~drug~~ **product** candidates may be impaired. Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our ~~drug~~ **product** candidates. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our ~~drug~~ **product** candidates. The patent prosecution process is expensive and time- consuming, however, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States or vice versa. For example, ~~European~~ **39European** patent law restricts the patentability of methods of treatment of the human body more than U. S. law does. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we or our licensors were the first to make the inventions claimed in our patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or ~~drug~~ **product** candidates, in whole or in part, or which effectively prevent others from commercializing competitive technologies and ~~drug~~ **product** candidates. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. Moreover, we may be subject to a third- party preissuance submission of prior art to the ~~U. S. Patent and Trademark Office, or~~ USPTO ~~,~~ or other foreign patent office, or become involved in opposition, central revocation, derivation, reexamination, inter partes review, post- grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or ~~drug~~ **product** candidates and compete directly with us, without payment to us, or result in the inability of our potential third- party partners to manufacture or ~~35commercialize~~ -- **commercialize** our ~~drug~~ **product** candidates without infringing third- party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications that we own or license is threatened, it could dissuade companies from partnering with us to license, develop and / or commercialize our ~~drug~~ **product** candidates. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or our potential third- party partners or otherwise provide us or our potential third- party partners with any competitive advantage. Competitors may be able to circumvent our patents by developing similar or alternative technologies or drugs in a non- infringing manner. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit the ability to stop others from using or commercializing similar or identical technology and ~~drug~~ **product** candidates, or limit the duration of the patent protection of our technology and ~~drug~~ **product** candidates **. Our pending U. S. application covering bosakitug, if issued, would expire in 2040 and our pending PCT application covering ATI- 052, if issued, would expire in 2043. Our issued U. S. patent directed to ATI- 2138 expires in 2039. Our issued U. S. patent covering lepzacitinib expires in 2038** . Our issued U. S. patents covering zunsemetinib expire in 2034. ~~Our issued U. S. patent covering ATI- 1777 expires in 2038. Our issued U. S. patent directed to ATI- 2138 expires in 2039.~~ We are pursuing **additional** patent protection for **our product candidates, such as** methods of use, polymorphs and methods of manufacture **,** ~~for our drug candidates~~ that may extend the term of patent protection **in select countries** . Given the amount of time required for the development, testing and regulatory review of new ~~drug~~ **product** candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us or our potential third- party partners with sufficient rights to exclude others from commercializing drugs similar or identical to ours. We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time- consuming and unsuccessful. Further, our issued patents could be found invalid or unenforceable if challenged in court. Competitors may infringe our issued patents or other intellectual property. Our pending applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time- consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents are invalid or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non- enablement or insufficient written description, or similar requirements outside of the United States. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO, in post- grant proceedings such as ex parte reexaminations, inter partes review, or post- grant review, or oppositions or similar administrative proceedings outside the United States, in parallel with litigation or, even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is

unpredictable. With respect to the validity question, for example, we cannot be certain that there is no ~~invalidating~~ **40invalidating** prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our ~~drug~~ **product** candidates. Such a loss of patent protection would harm our business. In such a proceeding, a court or administrative board may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent' s claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any such proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties. Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. ~~36We~~ **We** may not be able to protect our intellectual property rights throughout the world. Filing, prosecuting and defending patents on our ~~drug~~ **product** candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. For example, **we only have pending** ~~zunsemetinib is currently covered by patents and~~ applications in the United States, ~~European~~ -- **Europe** ~~Union~~ **, Japan** and ~~other foreign markets~~ **South Korea for our TSLP monoclonal antibodies** . **We** ~~While we~~ have issued U. S. patents directed to ATI- ~~1777~~ **2138,** and **pending applications in foreign markets directed to** ATI- 2138 **. We currently have a pending PCT application directed to ATI- 052 and other TSLP and IL4R bispecific antibodies. While we have issued U. S. and Chinese patents directed to lepzacitinib** , we do not currently have any patents ~~for such drug candidates~~ in ~~the European Union or~~ other foreign markets; rather, we have pending applications in ~~the European Union and~~ other foreign markets directed to ~~each of ATI- 1777~~ **lepzacitinib. Zunsemetinib is currently covered by patents** and ~~ATI- 2138~~ **applications in the United States, European Union and other foreign markets** . Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Many countries, including European Union countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our ability to pursue strategic alternatives, including identifying and consummating transactions with potential third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, and consequently our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. We may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms. A third party may hold intellectual property, including patent rights, that are important or necessary to the development and / or commercialization of our ~~drug~~ **product** candidates. It may be necessary for us or our potential third- party partners to use the patented or proprietary technology of third parties to further develop and / or commercialize our ~~drug~~ **product** candidates. If we or our potential third- party partners are not able to obtain a license from these third parties on commercially reasonable terms, our business could be harmed, possibly materially, and even if we or they are able to, it may result in the reduction of revenue we earn from such partner as a result of payment obligations to the licensor. ~~Third~~ **41Third** parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business. Our success depends upon our ability to pursue strategic alternatives, including identifying and consummating transactions with potential third- party partners, to develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates and earn revenue from those partnerships, and for our proprietary technologies to be used without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our ~~drug~~ **product** candidates and technologies, including interference or derivation proceedings before the USPTO. Numerous U. S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our ~~drug~~ **product** candidates. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we or our potential third- party partners are found to infringe a third party' s intellectual property rights, we or such partners could be required to obtain a license from such third party to continue developing or commercializing our ~~drug~~ **product** candidates and technology. However, we or our potential third- party partners may not be able to obtain any required license on commercially reasonable terms or at all. Even if we or our potential third- party partner were able to obtain a license, it could be non- exclusive, thereby giving competitors access to the same technologies licensed to us or our partner. Consequently, we or our potential third- party partner could be forced, including by court order, to cease developing or ~~37commercializing~~ -- **commercializing** the infringing technology or ~~drug~~ **product** candidate. In addition, we or our potential third- party partner

could be found liable for monetary damages, including treble damages and attorneys' fees if we or such partner are found to have willfully infringed a patent. A finding of infringement could prevent our potential third- party partners from commercializing our ~~drug~~ **product** candidates, if approved, or force such partners to cease some of their business operations. In the event of a successful claim of infringement against us or our potential third- party partners, we or our potential third- party partners may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing ~~drug~~ **product** candidate or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. We may be subject to claims by third parties asserting that we, our employees or our licensors have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property. Many of our employees and our licensors' employees were previously employed at other biotechnology or pharmaceutical companies. Although we and our licensors try to ensure that our employees and our licensors' employees do not use the proprietary information or know- how of others in their work for us, we or our licensors may be subject to claims that these employees, our licensors or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee' s former employer. Litigation may be necessary to defend against these claims. In addition, while it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self- executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. If we or our licensors fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we and our licensors are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management. Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim ~~proceedings~~ **42proceedings** or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Some of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation longer than we could. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Litigation could result in substantial costs and diversion of management resources, which could harm our business. In addition, the uncertainties associated with litigation could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, or pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. In addition to seeking and maintaining patents for our ~~drug~~ **product** candidates, we also rely on trade secrets, including unpatented know- how, technology and other proprietary information, to maintain our competitive position. We seek to protect our trade secrets, in part, by entering into non- disclosure and confidentiality agreements with parties who have ~~38access~~ -- **access** to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time- consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. The validity, scope and enforceability of any of our patents that cover any of our ~~drug~~ **product** candidates can be challenged by competitors. If any of our ~~drug~~ **product** candidates advance through development or are approved by the FDA or foreign regulatory authority, one or more third parties may challenge the current patents, or patents that may issue in the future, within our portfolio covering these ~~drug~~ **product** candidates. The challenge may come in the form of a patent office proceeding, such as an inter partes review challenging the validity of the patents, or a district court proceeding such as a paragraph IV litigation arising out of the filing of an ANDA **or a patent infringement suit arising out of the filing of an abbreviated biologics license application (" aBLA ")** . Litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature, may be expensive and time- consuming, may divert our management' s attention from our core business, and may result in unfavorable results that could limit our ability to prevent third parties from competing with our ~~drug~~ **product** candidates, if approved. Any such challenge could result in the invalidation of, or render unenforceable, some or all of the relevant patent claims or a finding of non- infringement, which would harm our ability to pursue strategic alternatives, including identifying and consummating transactions with third- party partners, to further

develop, obtain marketing approval for and / or commercialize our ~~drug~~ **product** candidates, and earn revenue from such arrangements. In addition, any such challenge on any divested product could harm our ability to earn revenue from the arrangements for such product. If we do not obtain protection under the Hatch- Waxman Act by extending the patent term and obtaining data exclusivity for our ~~drug~~ **product** candidates, our business may be materially harmed. Our success will largely depend on our ability to obtain and maintain patent and other intellectual property in the United States and other countries with respect to our proprietary technology, ~~drug~~ **product** candidates and our target indications **. Our pending U. S. application covering bosakitug, if issued, would expire in 2040. Our issued U. S. patent directed to ATI- 2138 expires in 2039. Our pending PCT application covering ATI- 052, if issued, would expire in 2043. Our issued U. S. patent covering lepzacitinib expires in 2038** . Our issued U. S. patents covering zunsemetinib expire in ~~2034~~ **432034** ~~. Our issued U. S. patent covering ATI- 1777 expires in 2038. Our issued U. S. patent directed to ATI- 2138 expires in 2039~~ . Given the amount of time required for the development, testing and regulatory review of new ~~drug~~ **product** candidates, patents protecting our ~~drug~~ **product** candidates might expire before or shortly after such candidates begin to be commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we are prosecuting patents. Depending upon the timing, duration and specifics of FDA marketing approval of our ~~drug~~ **product** candidates, one or more of our U. S. patents may be eligible for limited patent term extension under ~~The Drug Price Competition and Patent Term Restoration Act of 1984, or~~ the Hatch- Waxman Act ~~,~~ for a ~~drug~~ **product** candidate. The Hatch- Waxman Act permits a patent extension term of up to five years beyond the normal expiration of the patent as compensation for patent term lost during development and the FDA regulatory review process, which is limited to the approved indication (or any additional indications approved during the period of extension). However, the total patent term including the period of extension cannot exceed 14 years from the product' s approval date. Furthermore, this extension is limited to only one patent per regulatory review period that covers the approved product. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. We may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. Similar provisions are available in certain foreign countries, such as the European Union and Japan. If we are unable to extend the expiration date of our existing patents or obtain new patents with longer expiry dates, our competitors may be able to take advantage of our investment in development and clinical trials by referencing ~~39our~~ -- **our** clinical and preclinical data to obtain approval of competing products following our patent expiration and launch their product earlier than might otherwise be the case. Any trademarks we have obtained or may obtain may be infringed or successfully challenged, resulting in harm to our business. We expect to rely on trademarks as one means to distinguish our products, services or technologies from those of our competitors. Once we select new trademarks and apply to register them, our trademark applications may not be approved. Third parties may oppose or attempt to cancel our trademark applications or trademarks, or otherwise challenge our use of the trademarks. In such an event, we may need to negotiate a settlement agreement with such third party over the use of our trademarks, which we may not be able to do on commercially reasonable terms, if at all. In the event that our trademarks are successfully challenged, our products, services or technologies may need to be rebranded, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Our competitors may infringe our trademarks and we may not have adequate resources to enforce our trademarks. Outside of the United States we cannot be certain that any country' s patent or trademark office will not implement new rules that could seriously affect how we draft, file, prosecute and maintain patents, trademarks and patent and trademark applications. We cannot be certain that the patent or trademark offices of countries outside the United States will not implement new rules that increase costs for drafting, filing, prosecuting and maintaining patents, trademarks and patent and trademark applications or that any such new rules will not restrict our ability to file for patent or trademark protection. For example, we may elect not to seek patent protection in some jurisdictions or for some ~~drug~~ **product** candidates in order to save costs. We may be forced to abandon or return the rights to specific patents due to a lack of financial resources. For example, following the result of a referendum in 2016, the United Kingdom left the European Union on January 31, 2020, commonly referred to as Brexit. The impact of the withdrawal of the United Kingdom from the European Union will not be known for some time, which could lead to a period of uncertainty relating to our ability to obtain and maintain patents and trademarks in the United Kingdom. In 2012, the European Patent Package ~~, or~~ **(“** EU Patent Package ~~,~~ **”)** regulations were passed with the goal of providing for a single pan- European Unitary Patent, and a new European Unified Patent Court ~~, or~~ **(“** UPC ~~,~~ **”)** for litigation of European patents, which was implemented in 2023. All European patents, including those issued prior to ratification, would by default automatically fall under the jurisdiction of the UPC and allow for the possibility of obtaining pan- European injunctions, unless the patent holder " opts out " of the UPC on a patent- by- patent basis during an initial seven- year period. Owners of traditional European patent applications who receive notice of grant after the EU Patent Package ratification can either accept a Unitary Patent or validate the patent nationally and file an opt- ~~out~~ **44out** demand. The EU Patent Package may increase the uncertainties and costs surrounding the enforcement or defense of our issued European patents and pending applications. The full impact on future European patent filing strategy and the enforcement or defense of our issued European patents in member states and / or the UPC is not known. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative: ● we, our licensors or any potential third- party partners might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own; ● we, our licensors or any potential third- party partners might not have been the first to file patent applications covering certain of our

inventions; ● others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; ● it is possible that our pending patent applications will not lead to issued patents; ● issued patents that we own or exclusively license may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges; ● our competitors might conduct research and development activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, ~~40as~~ **as** well as in countries where we do not have patent rights, and then use the information learned from such activities to develop competitive products for sale in major commercial markets; and ● we may develop additional proprietary technologies that are not patentable. Risks Related to Regulatory Approval of Our ~~Drug~~ **Product** Candidates and Other Legal Compliance MattersIf our potential third- party partners are not able to obtain, or if there are delays in obtaining, required regulatory approvals, our ~~drug~~ **product** candidates will not be able to be commercialized, and our ability to earn revenue from arrangements with such third- party partners will be materially impaired. Our ~~drug~~ **product** candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA, other regulatory agencies in the United States and similar regulatory authorities outside the United States. Failure to obtain marketing approval for a ~~drug~~ **product** candidate will prevent our potential third- party partners from commercializing the ~~drug~~ **product** candidate. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the ~~drug~~ **product** candidate' s safety and efficacy. Securing marketing approval also requires the submission of information about the drug manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Our ~~drug~~ **product** candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our potential third- party partners from obtaining marketing approval or prevent or limit commercial use. If any of our ~~drug~~ **product** candidates receive marketing approval, the accompanying label may limit the approved use of our product in this way, which could limit sales of the product. The process of obtaining marketing approvals, both in the United States and abroad, is expensive and may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the ~~drug~~ **product** candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted drug application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a ~~drug~~ **product** candidate. Any marketing approval our potential third- party partners ultimately ~~obtain~~ **45obtain** may be limited or subject to restrictions or post- approval commitments that render the approved drug not commercially viable. If our potential third- party partners experience delays in obtaining approval or if they fail to obtain approval of our ~~drug~~ **product** candidates, the commercial prospects for our ~~drug~~ **product** candidates may be harmed and our ability to earn revenue from arrangements with such third- party partners will be materially impaired. Failure to obtain marketing approval in international jurisdictions would prevent our ~~drug~~ **product** candidates from being marketed abroad. In order to market and sell our ~~drugs~~ **product candidates** in the European Union and any other jurisdictions outside the United States, our potential third- party partners must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the drug be approved for reimbursement before the drug can be approved for sale in that country. Our potential third- party partners may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, failure to obtain approval in one jurisdiction may impact our potential third- party partners' ability to obtain approval elsewhere. Our potential third- party partners may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our ~~drug~~ **product** candidates in any market. ~~41A~~ **A** variety of risks associated with marketing our ~~drug~~ **product** candidates by our potential third- party partners internationally could harm our business. If our ~~drug~~ **product** candidates, if approved, are marketed internationally by our potential third- party partners, our potential third- party partners would be subject to additional risks related to operating in foreign countries, including: ● differing regulatory requirements in foreign countries; ● the potential for so- called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from a foreign market (with low or lower prices) rather than buying them locally; ● unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements; ● economic weakness, including inflation, or political instability in particular foreign economies and markets; ● foreign reimbursement, pricing and insurance regimes; ● compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; ● foreign taxes, including withholding of payroll taxes; ● foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; ● difficulties staffing and managing foreign operations; ● workforce uncertainty in countries where labor unrest is more common than in the United States; ● potential liability under the U. S. Foreign Corrupt Practices Act of 1977, as amended **(** ~~, or~~ the **"** FCPA **")**, or comparable foreign regulations; ● challenges enforcing contractual and intellectual property rights, especially in those foreign countries that do not respect and protect

intellectual property rights to the same extent as the United States; ● production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; ● logistical challenges resulting from distributing our ~~drug~~ **product** candidates to foreign countries; and ● business interruptions resulting from geo- political actions, including war and terrorism. These and other risks associated with international operations may compromise our ability to earn revenue from arrangements with potential third- party partners for our ~~drug~~ **product** candidates. ~~Any~~ **46Any** ~~drug~~ **product** candidate for which our potential third- party partners obtain marketing approval could be subject to post- marketing restrictions or recall or withdrawal from the market, and our potential third- party partners may be subject to penalties if they fail to comply with regulatory requirements or if they experience unanticipated problems with our ~~drug~~ **product** candidates, when and if any of them are approved. Any ~~drug~~ **product** candidate for which our potential third- party partners obtain marketing approval, along with the manufacturing processes, post- approval clinical data, labeling, advertising and promotional activities for such ~~drug~~ **product** candidate, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post- marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a ~~drug~~ **product** candidate is granted, the approval may be subject to limitations on the indicated uses for which the ~~drug~~ **product** candidate may be marketed or to the conditions of approval, including the requirement to implement a risk evaluation and mitigation strategy. If any of our ~~drug~~ **product** candidates receives marketing approval, the accompanying label may limit the approved use of our drug, which could limit sales of the drug by our potential third- party partners. The FDA may also impose requirements for costly post- marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the drug. The FDA closely regulates the post- approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off- label use and if our potential third- party partners do not market our drugs for their approved indications, they may be subject to enforcement action for off- label marketing. Physicians, on the other hand, may prescribe products for off- label uses. Although the FDA and other regulatory agencies do not regulate a physician' s choice of drug treatment made in the physician' s independent medical judgment, they do restrict promotional communications from companies or their sales force with respect to off- ~~42label~~ -- **label** uses of products for which marketing clearance has not been issued. However, companies may share truthful and not misleading information that is otherwise consistent with the product' s FDA approved labeling. Violations of the FDCA relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws. In addition, later discovery of previously unknown adverse events or other problems with our ~~drugs~~ **product candidates** , manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may have negative consequences, including: ● restrictions on such ~~drugs~~ **product candidates** , manufacturers or manufacturing processes; ● restrictions on the labeling or marketing of a ~~drug~~ **product** ; ● restrictions on drug distribution or use; ● requirements to conduct post- marketing studies or clinical trials; ● warning letters; ● recall or withdrawal of the ~~drugs~~ **products** from the market; ● refusal to approve pending applications or supplements to approved applications; ● clinical holds; ● fines, restitution or disgorgement of profits or revenue; ● suspension or withdrawal of marketing approvals; ● refusal to permit the import or export of our ~~drugs~~ **products** ; ● drug seizure; or ● injunctions or the imposition of civil or criminal penalties. Non- compliance with the European Union' s requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of ~~drugs~~ **products** for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the European Union' s requirements regarding the protection of personal information can also lead to significant penalties and sanctions. These and other risks associated with the failure by our potential third- party partners to comply with regulatory requirements may compromise our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. ~~Our~~ **47Our** potential third- party partners' relationships with third- party payors, health care professionals and customers in the United States and elsewhere may be subject, directly or indirectly, to applicable anti- kickback, fraud and abuse, false claims, physician payment transparency, health information privacy and security and other health care laws and regulations, and any failure to comply with such laws and regulations could have a material adverse effect on our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. Health care providers, physicians and third- party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any of our ~~drug~~ **product** candidates for which marketing approval is obtained. Our potential third- party partners' arrangements with third- party payors, health care professionals and customers may expose them to broadly applicable fraud and abuse and other health care laws and regulations, including, without limitation, the federal Anti- Kickback Statute and the federal civil False Claims Act, that may constrain the business or financial arrangements and relationships through which they sell, market and distribute any ~~drug~~ **product** candidates for which marketing approval is obtained. In addition, we and our potential third- party partners may be subject to transparency laws and patient privacy regulation by the federal government and by the U. S. states and foreign jurisdictions in which we or they conduct business. The applicable federal, state and foreign health care laws and regulations that may affect our or our potential third- party partners' ability to operate include the following: ● the federal Anti- Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state health care programs such as Medicare and Medicaid. Further, several courts have interpreted the statute' s intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal health care covered business, the Anti- Kickback Statute has been violated. The intent standard was further amended by the Affordable Care Act, to a stricter standard such that a person or entity no longer needs to have actual

knowledge of the statute or specific intent to violate it in order to have committed a ~~43violation~~ -- **violation** . Moreover, the government may assert that a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act; ● federal civil and criminal false claims laws, including, without limitation, the federal civil False Claims Act (that can be enforced through civil whistleblower or qui tam actions), and the civil monetary penalties law, which impose criminal and civil penalties, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; ● federal ~~Health Insurance Portability and Accountability Act of 1996, or~~ HIPAA, which imposes criminal and civil liability for, among other things, executing a scheme to defraud any health care benefit program or making false statements relating to health care matters. Similar to the federal Anti- Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation; ● HIPAA, as amended by ~~the Health Information Technology for Economic and Clinical Health Act, or~~ HITECH, and their respective implementing regulations, which impose obligations on covered health care providers, health plans, and health care clearinghouses, as well as their business associates that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity and their subcontractors that use, disclose, access, or otherwise process protected health information, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; ● the federal Open Payments program, created under Section 6002 of the Affordable Care Act (commonly known as the Physician Payments Sunshine Act) and its implementing regulations, which requires specified manufacturers of drugs, devices, biologics or medical supplies for which payment is available under Medicare, Medicaid or the Children' s Health Insurance Program, with specific exceptions, to report annually to ~~the Centers for Medicare & Medicaid Services, or~~ CMS ~~,~~ information related to " payments or other transfers of value " made to physicians, which is defined to include doctors, dentists, optometrists, podiatrists and chiropractors, other health care professionals (such as physician assistants and nurse practitioners), and teaching hospitals, and for applicable manufacturers to report annually to CMS information regarding ownership and investment interests held by physicians and their immediate family members; and ● analogous state and foreign laws and regulations, such as state anti- kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving health care items or services reimbursed by non- governmental third- party payors, including private insurers; state and foreign laws that require ~~pharmaceutical~~ **48pharmaceutical** companies to comply with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to health care providers; state, local and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other health care providers or marketing expenditures; state laws that require drug manufacturers to report pricing information regarding certain drugs; and / or that require registration of certain employees engaged in marketing activities in the location; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Efforts to ensure that our or our potential third- party partners' business arrangements with third parties will comply with applicable health care laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that our or our potential third- party partners' business practices, including relationships with physicians and other health care providers, some of whom may recommend, purchase and / or prescribe our ~~drug~~ **product** candidates, if approved, may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other health care laws and regulations. By way of example, some of our consulting arrangements with physicians may not meet all of the criteria of the personal services safe harbor under the federal Anti- Kickback Statute. Accordingly, they may not qualify for safe harbor protection from government prosecution. A business arrangement that does not substantially comply with a safe harbor, however, is not necessarily illegal under the Anti- Kickback Statute, but may be subject to additional scrutiny by the government. If our or our potential third- party partners' operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us or them, we or our potential third- party partners may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, disgorgement, imprisonment, exclusion from participation in government health care programs, such as Medicare and Medicaid, ~~44additional~~ -- **additional** reporting requirements and oversight if we or they become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws and the curtailment or restructuring of our or their operations, which could have a material adverse effect on our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. If any physician or other health care provider or entity with whom we or our potential third- party partners expect to do business is found not to be in compliance with applicable laws, it may be subject to significant criminal, civil or administrative sanctions, including exclusions from participation in government health care programs, which could also materially affect our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. Recently enacted and future legislation may increase the difficulty and cost for our potential third- party partners to obtain marketing approval of our ~~drug~~ **product** candidates and commercialize our ~~drug~~ **product** candidates, if approved, and affect the prices our potential third- party partners may obtain. In the United States, and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the health care system that could prevent or delay marketing approval of our ~~drug~~ **product** candidates, restrict or regulate post- approval activities and affect our potential third- party partners' ability to profitably sell any of our ~~drug~~ **product** candidates for which our potential third- party partners obtain marketing approval, and consequently affect our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in health care systems with the stated goals of containing health care costs, improving quality and / or expanding access. In the United States, the pharmaceutical industry has been a particular

focus of these efforts and has been significantly affected by major legislative initiatives. The Affordable Care Act, which was signed into law in 2010, is a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of health care spending, enhance remedies against fraud and abuse, add new transparency requirements for the health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. ~~Among the provisions of the Affordable Care Act of importance to commercial products are the following: expanded and increased industry rebates for drugs covered under Medicaid programs; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; extended the rebate program to individuals enrolled in Medicaid managed care organizations; established annual fees and taxes on manufacturers of certain branded prescription drugs; made changes to the coverage requirements under the Medicare prescription drug benefit; and established a new Medicare Part D coverage gap discount program, in which manufacturers, as a condition for their outpatient drugs to be covered under Medicare Part D, must agree to offer 70 % point- of- sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period. Moreover, the Affordable Care Act provided incentives to programs that increase the federal government' s comparative effectiveness research and implemented payment system reforms including a national pilot program on payment bundling meant to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain health care services.~~ There have been executive branch, judicial and Congressional challenges **and amendments** to certain aspects of the Affordable Care Act. ~~While Congress has not passed comprehensive repeal legislation, several bills affecting the implementation of certain taxes under the Affordable Care Act have been signed into law. On June 17, 2021 the U. S. Supreme Court dismissed a challenge on procedural grounds that argued the Affordable Care Act is unconstitutional in its entirety because the " individual mandate " was repealed by Congress. Prior to the U. S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the Affordable Care Act marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or~~ **For example** ~~the Affordable Care Act. Further~~ , on August 16, 2022, President Biden signed the IRA into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in Affordable Care Act marketplaces through plan year 2025. The IRA also eliminates the " donut hole " under the Medicare Part D program ~~beginning~~ **49beginning** in 2025 by significantly lowering the beneficiary maximum out- of- pocket cost and through a newly established manufacturer discount program. It is possible that the Affordable Care Act will be subject to **additional** ~~judicial or Congressional~~ challenges **and amendments** in the future. It is unclear how such challenges and any additional health care reform measures of the ~~Biden~~ **second Trump** administration will impact the Affordable Care Act and our business. ~~45In~~ **In** addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes included aggregate reductions to Medicare payments to providers of 2 % per fiscal year that became effective on April 1, 2013 and, due to subsequent legislative amendments to the statute, including the BBA and the Infrastructure Investment and Jobs Act, will stay in effect through 2032 unless additional Congressional action is taken. ~~The American Taxpayer Relief Act of 2012, which was signed into law in January 2013, among other things, further reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.~~ Any similar new laws may result in additional reductions in Medicare and other health care funding, which could have a material adverse effect on our ability to earn revenue from arrangements with our potential third- party partners for our ~~drug~~ **product** candidates. We expect that the Affordable Care Act, as well as other health care reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that our potential third- party partners receive for any approved ~~drug~~ **product** candidate. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other health care reforms may prevent our potential third- party partners from being able to generate revenue, attain profitability, or commercialize our ~~drug~~ **product** candidates, if approved, which in turn may impact our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. Legislative and regulatory proposals have been made to expand post- approval requirements and restrict sales and promotional activities for ~~drugs. In addition, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to~~ drug ~~pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. In July 2021, the Biden administration released an~~ **and biologic products** ~~executive order, " Promoting Competition in the American Economy, " with multiple provisions aimed at prescription drugs~~ . ~~In response to Biden' s executive order, on September 9, 2021, U. S. Department of Health and Human Services, or~~ **For example** ~~HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. In addition~~ , the IRA, among other things, (1) directs HHS to negotiate the price of certain single- source drugs and biologics **that have been on the market for at least 7 years** covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions ~~take~~ **took** effect progressively starting in fiscal year 2023, although ~~they~~ **the** ~~may be~~ **Medicare Drug Price Negotiation Program is currently** subject to legal challenges. ~~It is currently unclear how~~ **On August 15, 2024, HHS announced** the ~~IRA~~ **agreed- upon prices of the first ten drugs that were subject to price negotiations, which take effect in January 2026. HHS** will **select up** ~~be implemented but is likely~~ to **fifteen** ~~have a significant~~

~~impact on the pharmaceutical industry. Further, the Biden administration released an~~ additional **products covered under Part D** ~~executive order on October 14, 2022, directing HHS to submit a report on how the Center~~ for **negotiation in 2025. Each year thereafter more Part B and Part D products will become subject to the** Medicare ~~and Medicaid Innovation can be further leveraged to test new models for lowering drug~~ **Drug Price Negotiation Program** ~~costs for Medicare and Medicaid beneficiaries. It is unclear whether this executive order or similar policy initiatives will be implemented in the future~~. On December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march- in rights under the Bayh- Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March- In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march- in rights. While march- in rights have not previously been exercised, it is uncertain if that will continue under the new framework. It is unclear whether these or similar policy initiatives will be implemented in the future. The effect of reducing prices and reimbursement for certain of our ~~drug~~ **product** candidates, if approved, could significantly impact our business and consolidated results of operations. In addition, the IRA may meaningfully influence our and pharmaceutical industry business strategies. In particular, it may reduce the attractiveness of investment in small molecule and biologic innovation **. Further, we expect additional health reform measures may be implemented in the future, particularly in light of the recent U. S. Presidential and Congressional elections** . At the state level, legislatures have become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain drug access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, on January 5, 2024, the FDA approved Florida' s proposal to import certain drugs from Canada for specific state healthcare programs. It is unclear if and how this program will be implemented and whether it will be subject challenges in the United States or Canada. Other states have also submitted proposals that are pending review by the FDA. Any such approved importation plans, if implemented, may result in lower drug prices for products covered by those programs. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, ~~46or~~ **or** what the impact of such changes on obtaining marketing approvals for our ~~drug~~ **product** candidates, if any, may be. In addition, increased scrutiny by the U. S. Congress of the FDA' s approval process may significantly delay or prevent marketing approval, as well as subject our potential third- party partners to more stringent drug labeling and post- marketing testing and other requirements. These risks may compromise our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates **. 50Our biological product candidates may face competition sooner than anticipated. The BPCIA created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA- licensed reference biological product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12- year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the applicant' s own preclinical data and data from adequate and well- controlled clinical trials to demonstrate the safety, purity and potency of its product. Bosakitug and ATI- 052, if approved, may not qualify for the 12- year period of exclusivity, which allows the FDA to approve a biosimilar product any time after the reference product was first licensed by the FDA. Even if the reference product exclusivity is awarded upon licensure by FDA, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider bosakitug or ATI- 052 to be reference products for competing products, potentially creating the opportunity for competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, could be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non- biological products will depend on a number of marketplace and regulatory factors that are still developing. If we cannot obtain exclusivity for bosakitug and ATI- 052 under the BPCIA, we could face competition sooner than anticipated, which could harm our business** . Governments outside the United States tend to impose strict price controls, which may adversely affect our revenue. In some countries, particularly the countries of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, our potential third- party partners may be required to conduct a clinical trial that compares the cost- effectiveness of our ~~drug~~ **product** candidate to other available procedures. If reimbursement of our ~~drug~~ **product** candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our potential third- party partners may not able to generate revenue, which in turn may adversely affect our ability to earn revenue from arrangements with such third- party partners for our ~~drug~~ **product** candidates. If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business. We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide

adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our development or manufacturing efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. ~~We~~ **51We and the third parties with whom we work** are subject to stringent and evolving U. S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure **(or that of the third parties with whom we work)** to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences. In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, **“** process **”**) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, personnel data, data from participants in our clinical trials, and other sensitive third- party data (collectively, **“** sensitive data **”**). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). ~~In the past few years, numerous~~ **Numerous** U. S. states ~~— 47including California, Virginia, Colorado, Connecticut, and Utah —~~ have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making. The exercise of these rights may impact our business operations. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018 ~~, as amended by the California Privacy Rights Act of 2020~~ (~~“ CPRA ”) (collectively,~~ “ CCPA ”), applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines ~~of up to $ 7, 500 per intentional violation~~ and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal data we maintain about California residents. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While these **laws in other** states, like the CCPA, ~~also~~ exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely. In addition to “ comprehensive ” state privacy laws like CCPA, we are ~~or~~ **currently and** may become **in the future** subject to new state laws governing the privacy of consumer health data. For example, Washington’ s My Health My Data Act broadly defines consumer health data, places restrictions on processing consumer health data (including imposing stringent requirements for consents), provides consumers certain rights with respect to their health data, and creates a private right of action to allow individuals to sue for violations of the law. Other states are considering and may adopt similar laws. Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union’ s General Data Protection Regulation (“ EU GDPR ”) and the United Kingdom’ s GDPR (“ UK GDPR ”) impose strict requirements for processing personal data. For example, under GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17. 5 million pounds sterling under the UK GDPR or, in each case, 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross- border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the ~~European Economic Area (~~ EEA ~~)~~ and the United Kingdom (**“** UK **”**) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt **or have already adopted** similarly stringent ~~interpretations of their~~ data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in ~~compliance~~ **52compliance** with law, such as the EEA’ s standard contractual clauses, the UK’ s International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally- compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data

necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activities groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the GDPR' s cross- border data transfer limitations. **Regulators in the United States such as the Department of Justice are also increasingly scrutinizing certain personal data transfers and have proposed and may enact certain data localization requirements, for example, the Biden Administration' s executive order Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government- Related Data by Countries of Concern.** In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and may **in the future** become subject to ~~such~~ **additional** obligations ~~in the future~~. We are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. ~~48We~~ **We** publish privacy policies and make other statements ~~regarding~~ **concerning** data privacy and security. ~~If~~ **Regulators in the United States are increasingly scrutinizing these statements, and if** these policies or statements are found to be deficient, lacking in transparency, deceptive, unfair **, misleading** , or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- action claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; or stoppages in our business operations (including clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop our ~~drug~~ **product** candidates; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations. We are subject to governmental economic sanctions **laws** and export and import controls that could impair our potential third- party partners' ability to compete in international markets or subject us or our potential third- party partners to liability if we or they are not in compliance with applicable laws. As a U. S. company, we are subject to U. S. import and export controls and economic sanctions laws and regulations, and we are required to import and export our ~~drug~~ **product** candidates, technology and services in compliance with those laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, the ~~International~~ **53International** Traffic in Arms Regulations, and economic embargo and trade sanction programs administered by the U. S. Treasury Department' s Office of Foreign Assets Control. U. S. economic sanctions and export control laws and regulations prohibit the shipment of certain products and services to countries, governments and persons targeted by U. S. sanctions. While we are currently taking precautions to prevent doing any business, directly or indirectly, with countries, governments and persons targeted by U. S. sanctions and to ensure that our ~~drug~~ **product** candidates are not exported or used by countries, governments and persons targeted by U. S. sanctions, such measures may be circumvented. Furthermore, if we or our potential third- party partners export our ~~drug~~ **product** candidates, the exports may require authorizations, including a license, a license exception or other appropriate government authorization. Complying with export control and sanctions regulations may be time- consuming and may result in the delay or loss of sales opportunities. Failure to comply with export control and sanctions regulations may expose us or our potential third- party partners to government investigations and penalties. If we are found to be in violation of U. S. sanctions or import or export control laws, it could result in civil and criminal, monetary and non- monetary penalties, including possible incarceration for those individuals responsible for the violations, the loss of export or import privileges and reputational harm. ~~49We~~ **We** and our potential third- party partners are subject to anti- corruption and anti- money laundering laws with respect to our and their operations and non- compliance with such laws can subject us to criminal and / or civil liability and harm our business. We and our potential third- party partners are subject to the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act and possibly other anti- bribery and anti- money laundering laws in countries in which we conduct activities. Anti- corruption laws are interpreted broadly and prohibit companies and their employees and third- party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We or our potential third- party partners may engage third- party intermediaries in connection with the development or commercialization of our ~~drug~~ **product** candidates, if approved, and to obtain necessary permits, licenses and other regulatory approvals. We, our potential third- party partners or the third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. Noncompliance with anti- corruption and anti- money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other

enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and / or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. Responding to any action will likely result in a materially significant diversion of management' s attention and resources and significant defense costs and other professional fees. Risks Related to Employee Matters and Managing Our GrowthOur future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel. We are highly dependent on the management, development, clinical, financial, and business development expertise of Dr. Neal Walker, our ~~Interim~~ Chief Executive **Officer, Hugh Davis, Ph. D, our Chief Operating** Officer and President, Kevin Balthaser, our Chief Financial Officer, Dr. Joseph Monahan, our Chief Scientific Officer, and James Loerop, our Chief Business Officer, as well as the other members of our scientific and clinical teams. Although we have entered into employment agreements with our executive officers, each of them may currently terminate their employment with us or resign at any time. We do not maintain " key person " insurance for any of our key executives. Recruiting and retaining qualified scientific, manufacturing and clinical personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our development objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, ~~replacing~~ **54replacing** executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop and partner ~~drug~~ **product** candidates. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our development strategy. Our consultants and advisors may have commitments under employment, consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited. Our employees, independent contractors, consultants, third- party partners, principal investigators, CROs and vendors may engage in misconduct or other improper activities, including non- compliance with regulatory standards and requirements. We are exposed to the risk that our employees, independent contractors, consultants, third- party partners, principal investigators, CROs and vendors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and / or negligent conduct or disclosure of unauthorized activities to us that violates FDA regulations, including those laws requiring the reporting of true, complete and accurate information to the FDA, manufacturing standards, federal and state health care laws and regulations, and laws that require the true, complete ~~50and~~ -- **and** accurate reporting of financial information or data. In particular, sales, marketing and business arrangements by our potential third- party partners in the health care industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self- dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of business conduct and ethics, but it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, including, without limitation, damages, fines, disgorgement, imprisonment, exclusion from participation in government health care programs, such as Medicare and Medicaid, additional reporting obligations and oversight if we are subject to a corporate integrity agreement or other agreement to resolve allegations of non- compliance with these laws, and the curtailment or restructuring of our operations. In addition, we have a hybrid work model of remote and in- person operations for our employees that enables us to continue to develop our ~~drug~~ **product** candidates and provide contract research services to our clients. The effects of our hybrid work model may negatively impact productivity, disrupt our business and delay our preclinical drug development and clinical trials and timelines. These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition. Risks Related to Ownership of Our Common StockThe trading price of the shares of our common stock has been and is likely to continue to be volatile. Our stock price has been and is likely to continue to be volatile. The stock market in general and the market for biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by many factors, including: ● the commencement, enrollment and / or results of any preclinical studies and clinical trials we may conduct, or changes in the development status of our ~~drug~~ **product** candidates; ● any delay in our regulatory filings for any of our ~~drug~~ **product** candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority' s review of such filings, ~~including~~ **55including** without limitation the FDA' s issuance of a " refusal to file " letter or a request for additional information; ● adverse results from, delays in or termination of clinical trials; ● adverse regulatory decisions, including failure of any of our ~~drug~~ **product** candidates to receive marketing approval; ● unanticipated serious safety concerns related to the use of any ~~drug~~ **product** candidate or previously sold commercial product; ● changes in financial estimates by us or by any securities analysts who might cover our stock; ● conditions or trends in our industry; ● changes in the structure of health care payment systems; ● changes in the market valuations of similar companies; ● stock market price and volume fluctuations of comparable companies and, in particular, those

that operate in the biotechnology industry; ● publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts; ● announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures; ● announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us; ● investors' general perception of our company and our business; ● recruitment or departure of key personnel; ● overall performance of the equity markets; ● trading volume of our common stock; ~~51~~ ● disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies; ● significant lawsuits, including patent or stockholder litigation; ● general political and economic conditions; and ● other events or factors, many of which are beyond our control. In the past, stockholders have initiated class action lawsuits against us and other pharmaceutical companies following periods of volatility in the market prices of these companies' stock. We have entered into indemnification agreements with our executive officers and directors which provide, among other things, that we will indemnify such officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as our director, officer or other agent, and otherwise to the fullest extent permitted under Delaware law and our bylaws. Such additional litigation, if instituted against us, could cause us to incur substantial costs and divert management' s attention and resources from our business. If we fail to maintain compliance with the listing requirements of the Nasdaq Global Select Market, we may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted. Our common stock is currently listed on the Nasdaq Global Select Market. To maintain the listing of our common stock on the Nasdaq Global Select Market, we are required to meet certain listing requirements, including, among others, either: (i) a minimum closing bid price of $ 1. 00 per share, a market value of publicly held shares (excluding shares held by our executive officers, directors and 10 % or more stockholders) of at least $ 5 million and stockholders' equity of at least $ 10 million; or (ii) a minimum closing bid price of $ 1. 00 per share, a market value of publicly held shares (excluding shares held by our executive officers, directors, affiliates and 10 % or more stockholders) of at least $ 15 million and a total market value of listed securities of at least $ 50. 0 million. We may fail to satisfy one or more **of** the Nasdaq Global Select Market **' s** requirements for continued listing of our common stock in the future. There can be no assurance that we will be successful in maintaining the listing of our common stock on the Nasdaq Global Select Market, or, if transferred, on the Nasdaq Capital Market. This could impair the liquidity and market price of our common stock. In addition, the delisting of our common stock from a national exchange could have a material adverse effect on our access to capital markets, and any limitation on market liquidity or reduction in the price of our common stock as a result of that delisting could adversely affect our ability to raise capital on terms acceptable to us, or at all. ~~Sales~~ **56Sales** of a substantial number of shares of our common stock into the market could cause the market price of our common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly. In addition, we have filed registration statements on Form S- 8 under the Securities Act registering the issuance of shares of common stock subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Shares registered under these registration statements are available for sale in the public market subject to vesting arrangements and exercise of options **. Further** , ~~and~~ **we have in** the **past and may in** ~~restrictions of Rule 144 under~~ the **future issue equity** ~~Securities~~ **securities** ~~Act~~ in **connection with financings, acquisitions or** ~~the~~ **other strategic investments. Any such issuances of additional capital stock may** ~~case~~ **cause stockholders to experience significant dilution** of **their ownership interests and the per share value of** our ~~affiliates~~ **common stock to decline** . Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result. There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change of control was considered favorable by some or all of our stockholders. For example, our board of directors has the authority to issue up to 10, 000, 000 shares of preferred stock. The board of directors can fix the price, rights, preferences, privileges, and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change of ~~52control~~ -- **control** transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders. Our charter documents also contain other provisions that could have an anti-takeover effect, including: ● only one of our three classes of directors is elected each year; ● stockholders are not entitled to remove directors other than by a 66 2 / 3 % vote and only for cause; ● stockholders are not permitted to take actions by written consent; ● stockholders cannot call a special meeting of stockholders; and ● stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings. In addition, we are subject to the anti- takeover provisions of Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions by prohibiting Delaware corporations from engaging in specified business combinations with particular stockholders of those companies. These provisions could discourage potential acquisition proposals and could delay or prevent a change of control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock. If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the stock market on which our common stock is listed. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting and perform system and process evaluation and testing of our internal control over financial reporting to allow

management to report on the effectiveness of our internal control over financial reporting. This requires that we incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. ~~We~~ **57We** may identify weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our consolidated financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system' s objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements, and we may conclude that our internal control over financial reporting is not effective. If that were to happen, the market price of our stock could decline, and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC, or other regulatory authorities. We might not be able to utilize a significant portion of our net operating loss carryforwards and research and development tax credit carryforwards. As of December 31, ~~2023~~ **2024**, we had federal and state net operating loss carryforwards **(** ~~, or~~ NOLs ~~,~~**)** of $ ~~464~~ **469**. ~~8~~ **4** million and $ ~~395~~ **401**. ~~3~~ **1** million, respectively, which will begin to expire in 2032. Under federal law, federal NOL carryforwards generated in tax years beginning after December 31, 2017 may be carried forward indefinitely but may only be used to offset 80 % of our taxable income annually. It is uncertain if and to what extent various states will conform to the federal tax law. As of December 31, ~~2023~~ **2024**, we also had federal research and development tax credit carryforwards of $ ~~20~~ **21**. ~~4~~ **9** million which will begin to expire in 2032, and state research and development tax credit carryforwards of $ 0. 1 million which will begin to expire in ~~2022~~ **2030**. These NOL and tax credit carryforwards could expire unused or due to limitation on use be unavailable to offset future income tax liabilities. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an " ownership change, " which is generally defined as a greater than 50 % change, by value, in its equity ownership over a three- year period, the corporation' s ability to use its pre- change net operating loss carryforwards and other pre- change tax attributes to offset its post- change income ~~53may~~ -- **may** be limited. Although we have experienced Section 382 ownership changes between 2012 and ~~2023~~ **2024**, we have concluded that we should have sufficient ability to utilize NOLs accumulated during the periods tested. In addition, we may have experienced ownership changes since ~~2023~~ **2024** and may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If we determine that an ownership change has occurred and our ability to use our historical NOL and tax credit carryforwards is materially limited, it might harm our future operating results by effectively increasing our future tax obligations. We do not anticipate paying any cash dividends on our common stock in the foreseeable future and our stock may not appreciate in value. We have not declared or paid cash dividends on our common stock to date. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. There is no guarantee that shares of our common stock will appreciate in value or that the price at which our stockholders have purchased their shares will be able to be maintained. Exclusive forum provisions in our amended and restated certificate of incorporation and amended and restated bylaws could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim for breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws provide the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities ~~Act~~ **58Act**. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. Our amended and restated certificate of incorporation and amended and restated bylaws further provide any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provisions. These exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive- forum provision to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business. **Our holders of 5 % or more of our capital stock collectively own a significant percentage of our outstanding common stock and have the ability to exert significant control over matters subject to stockholder approval. Our holders of 5 % or more of our capital stock collectively own a significant percentage of our outstanding common stock. As a result, these holders, if acting together, have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, amendment of our organizational**

documents, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise. We are a " smaller reporting company " and, as a result of the reduced disclosure and governance requirements applicable to smaller reporting companies, our common stock may be less attractive to investors. We are a " smaller reporting company " as defined in Item 10 (f) (1) of Regulation S- K, and we intend to take advantage of some of the exemptions from reporting requirements that are applicable to other public companies that are not smaller reporting companies, including: ● not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting; and ● reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements. We may take advantage of these reporting exemptions until we are no longer a smaller reporting company. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our shares of common stock held by non- affiliates does not equal or exceed $ 250. 0 million as of June 30th of the prior year, or (2) our annual revenues did not equal or exceed $ 100. 0 million during such completed fiscal year and the market value of our shares of common stock held by non- affiliates did not equal or exceed $ 700. 0 million as of June 30th of the prior year. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. General Risk FactorsIf our information technology systems, those of third parties upon which we rely, or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse consequences. In the ordinary course of our business, we and the third parties upon which we rely process sensitive data, and, as a result, we and the third parties upon which we rely face a variety of evolving threats that could cause security incidents. ~~Cyber~~ **59Cyber** - attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive data and information technology systems, and those of the third ~~54parties~~ -- **parties** upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer " hackers, " threat actors, " hacktivists, " organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to develop our ~~drug~~ **product** candidates and provide our services. We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by AI, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to develop our ~~drug~~ **product** candidates or provide our services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Remote work ~~has become more common and~~ has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. In addition, our reliance on third- party service providers could introduce new cybersecurity risks and vulnerabilities, including supply- chain attacks and other threats to our business operations. We rely on third- party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts, including, without limitation, cloud- based infrastructure, data center facilities, SaaS platforms, encryption and authentication technology, employee email and other functions. We also rely on third- party service providers to provide other products and services, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third- party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been compromised. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and / or software). We may not, however, detect and remediate all such vulnerabilities including on a timely basis. **It may be difficult and / or costly to detect, investigate,**

mitigate, contain, and remediate a security incident, and our efforts to do so may not be successful. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. **Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and 60systems. For example, we have been the target of unsuccessful phishing attempts in the past, and expect such attempts will continue in the future.** Any of the previously identified or similar threats **has caused and, in the future,** could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive data or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to operate our business. ~~55We~~ **We** may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations **has required and** may **in the future** require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive data. Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may prevent or cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. An active trading market for our common stock may not be sustained. Although our common stock is listed on The Nasdaq Global Select Market, we cannot assure you that an active trading market for our shares will be sustained. If an active market for our common stock is not sustained, it may be difficult for investors in our common stock to sell shares without depressing the market price for the shares or to sell the shares at all. If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, our stock price and trading volume could decline. The trading market for our common stock is influenced by the research and reports that equity research analysts publish about us or our business, our market and our competitors. Equity research analysts may elect not to initiate or continue to provide research coverage of our common stock, and such lack of research coverage may adversely affect the market price of our common stock. Even if we have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline. ~~Environmental, social and governance matters may impact our business and reputation. Increasingly, in addition to the importance of their financial performance, companies are being judged by their performance on a variety of environmental, social and governance, or ESG, matters, which are considered to contribute to the long- term sustainability of companies' performance. 56A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company' s efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the company' s board of directors in supervising various sustainability issues. In addition to the topics typically considered in such assessments, in the healthcare industry, issues of the public' s ability to access medicines are of particular importance. In light of investors' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, stock price, financial condition, or results of operations, including the sustainability of our business over time. Unfavorable~~ **61Unfavorable** conditions, including inflationary pressure, in the global economy could limit our ability to grow our business and negatively affect our operating results. General worldwide economic conditions have experienced significant instability in recent years including the recent global economic uncertainty and financial market conditions. For example, inflation rates, particularly in the United States and United Kingdom, have increased recently to levels not seen in years, and increased inflation may result in increases in our operating costs (including our labor costs), reduced liquidity and limits on our ability to access credit or otherwise raise capital ~~. In addition, the Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation, which coupled with reduced government spending and volatility in financial markets may have the effect of further increasing economic uncertainty and heightening these risks~~ .

Additionally, financial markets around the world have experienced volatility in connection with geopolitical conflicts. These conditions make it extremely difficult for us to accurately forecast and plan future business activities. The issuance of additional stock in connection with financings, acquisitions, investments, our equity incentive plan or otherwise will dilute all other stockholders. Our certificate of incorporation authorizes us to issue up to 200, 000, 000 shares of common stock and up to 10, 000, 000 shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investment, our equity incentive plan or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline. Changes in tax laws or regulations that are applied adversely to us may have a material adverse effect on our business, cash flow, financial condition or results of operations. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. For example, the Inflation Reduction Act provides for a minimum tax equal to 15 % of the adjusted financial statement income of certain large corporations, as well as a 1 % excise tax on certain share buybacks by public corporations that would be imposed on such corporations. In addition, it is uncertain if and to what extent various states will conform to newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses could have a material impact on the value of our deferred tax assets, could result in significant one- time charges, and could increase our future U. S. tax expense. We incur significant costs and demands upon management as a result of being a public company. As a public company listed in the United States, we incur, and will continue to incur, particularly **if** ~~now that~~ we ~~no longer~~ **cease to** qualify as a " smaller reporting company, " significant legal, accounting and other costs. These costs could negatively affect our financial results. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and The Nasdaq Stock Market, may increase legal and financial compliance costs and make some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is ~~57~~ **provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed. Failure to comply with these rules might also make it more difficult for us to obtain some types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of senior management. Artificial intelligence presents risks and challenges that can impact our business including by posing security risks to our confidential information, proprietary information, and personal data. Issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment, 62**