Risk Factors Comparison 2024-03-21 to 2023-03-02 Form: 10-K

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

This section includes a discussion of what the Company believes to be the material factors that make an investment in the Company speculative or risky and that could affect its business, operating results, financial condition, and **future growth prospects or cause actual results to differ materially from** ~~the~~ **those** ~~trading~~ **contained in forward- looking statements the Company has made or may make from time- to- time. In these circumstances, the market** price of the Company ~~'~~ **'** s **Class A** ~~common~~ **Common** ~~stock~~ **Stock could decline, and you may lose all or part of your investment** . ~~The~~ **Cibus cannot assure you that any of the events discussed below will not occur. Further, the** risks described below are not the only risks the Company faces. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may occur or become material in the future. You should carefully consider these risk factors in connection with Part ~~2~~ **II** , Item 7, " Management' s Discussion and Analysis of Financial Conditions and Results of Operations, " the consolidated financials **,** and the other information in this Annual Report. ~~Risk~~ **Risks** Related to ~~the Transactions There~~ **Cibus' Business and Operations Cibus has incurred significant losses and anticipates that it will continue to incur significant losses for several years. Cibus' business** is **currently primarily focused on R & D of plant gene editing** ~~no assurance that the Transactions will be completed in a timely manner or at all~~ . ~~If the Transactions are~~ **While Cibus has established commercial relationships with seed company counterparties, it presently does** not **have any revenue generating commercial contract with such seed companies** ~~consummated, the Company' s business could suffer materially and its stock price could decline~~ . **Accordingly** ~~The closing is subject to a number of closing conditions~~ , ~~including the approval by the Company' s stockholders of the issuance of shares of Calyxt' s common stock pursuant to the Merger Agreement and other~~ -- **the** ~~customary closing conditions. If the conditions are not satisfied or waived, the merger will not occur or will be delayed. If the Transactions are not consummated, the Company may be subject to a number of material risks, and its business and stock price could be adversely affected, as follows: • The~~ Company has **only a limited operating history upon which to evaluate its business and long- term prospects. Cibus has historically** incurred **net losses and had** ~~and~~ - **an accumulated deficit. Cibus anticipates that its expenses will increase substantially if it, directly or through partners, broadens its R & D activities with respect to additional crops and future productivity traits (including conducting requisite field trials for productivity trait validation) or pursues R & D activities in respect of sustainable ingredients products. Cibus' expenses will also increase as it continues to invest in scaling of its high- throughput semi- automated gene editing system, the Trait Machine; seeks to expand its operational footprint in light of evolving global regulatory regimes applicable to plant gene editing; actively maintains, protects, expands, and defends its intellectual property portfolio; and engages in other activities that may further the development of its business. Accordingly, Cibus** expects to continue to incur significant expenses ~~related to the Transactions even if the Transactions are not consummated; • The Company could be obligated to pay Cibus a termination fee of up to $ 1. 0 million under certain circumstances pursuant to the Merger Agreement; • the market price of Calyxt' s common stock may decline to the extent that the current market price reflects a market assumption that the Transactions will be completed; and • The Company may not be able to pursue an~~ **and operating losses** ~~alternate merger or other strategic transaction if the Transactions are not completed. If the Transactions are not completed, Calyxt' s board of directors may decide to pursue a liquidation and dissolution of Calyxt. In such an event and in light of Calyxt' s current capital resource constraints, it is unlikely that substantial resources would be available~~ for ~~distributions to stockholders. While Calyxt has entered into the Merger Agreement with Cibus, the closing of the Transactions may be delayed or may not occur at all, and there can be no assurance that the Transactions, if completed, will deliver the anticipated benefits Calyxt expects or enhance stockholder value. If the Transactions are not completed and the Merger Agreement is terminated under certain circumstances, Calyxt may be required to pay Cibus a termination fee of $ 1. 0 million. Even if a termination fee is not payable in connection with a termination of the Merger Agreement, Calyxt will have incurred significant fees and expenses, which must be paid whether or not the merger is completed. Further, beginning at the earlier of March 15, 2023 and the date Calyxt' s unrestricted cash balance first drops below $ 1. 5 million, Calyxt can request, and Cibus has agreed to provide the Interim Funding. While the outstanding balance of the Interim Funding will be reduced to zero in connection with the closing of the Transactions, if the Merger Agreement is terminated under certain circumstances, any portion of the Interim Funding that has been drawn would become due and payable. If for any reason the Transactions are not completed, Calyxt' s board of directors may elect to, among other things, attempt to complete another strategic transaction, attempt to sell or otherwise dispose of the various assets of Calyxt, or seek to continue to operate Calyxt' s business. Any of these alternatives would be costly and time- consuming and would require that Calyxt obtain additional near- term funding. Calyxt expects that it would be difficult to secure such funding in a timely manner, on favorable terms or at all. Further, in each of the foregoing scenarios, the failure to complete the Transactions may result in negative publicity and a negative impression of Calyxt in the investment community, could significantly harm the market price of Calyxt' s Common Stock, may affect Calyxt' s relationship with employees, customers and potential customers and other partners in the business community, and may make further impede the ability to raise additional financing. Calyxt cautions that it is unlikely that Calyxt will be able to obtain additional financing or to find a new strategic partner. If a new strategic partner were identified, Calyxt can provide no assurance that it would be able to close an alternative transaction on terms that are~~ at least **the next several years. The amount of Cibus' future net losses will depend, in part, on the amount of its future operating expenses and the pace at which they are incurred, the satisfaction of its Royalty Liability (** as ~~favorable~~ **defined herein) and its interest expense related thereto, and its ability to obtain funding**

through its licensing activities, through equity or debt financings, or through grants or partnerships. As a result of its present lack of commercial revenue and significant expenses, Cibus ~~as~~ **has concluded that** ~~the terms set forth in the Merger Agreement. Accordingly,~~ there is **substantial doubt about** ~~significant risk that such alternatives, if any, may not be successfully consummated, if pursued. To the extent that Calyxt seeks and is~~ **its** ~~able~~ **ability** to **continue** ~~raise additional capital through the sale of equity or convertible debt securities, Calyxt stockholders’ ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect their rights~~ as a **going concern** ~~common stockholder. Debt financing or~~ **for** ~~preferred equity~~ **at least 12 months from the issuance date of the** ~~financing~~ **financial statements** ~~, if available, may involve agreements that include~~ **included** ~~covenants limiting or restricting Calyxt’ s ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If Calyxt raises funds through strategic transactions or commercial or licensing arrangements~~ with **this Annual Report** ~~third parties, Calyxt may have to relinquish valuable rights to its intellectual property, technologies, future revenue streams or product candidates or to grant licenses~~ on **Form 10** ~~terms that may not be favorable to it. Even if consummated, it is unlikely that any such transaction will fully address Calyxt’ s current capital resource constraints and liquidity challenges, and Calyxt may need to significantly delay or further scale back operations beyond its already narrowly focused operational activities. In such circumstances, the Calyxt board of directors may decide that it is in the best interests of the Calyxt stockholders to dissolve the company and liquidate its assets. If the Transactions are not completed, the Calyxt board of directors may decide that it is in the best interests of the Calyxt stockholders to dissolve the company and liquidate its assets. In that event, the amount of cash, if any, available for distribution to the Calyxt stockholders would depend on the timing of such decision and the timing of such liquidation since the amount of cash available for distribution continues to decrease as Calyxt funds its operations and incurs fees and expenses related to the merger, including pursuant to the Interim Funding. In addition, if the Calyxt board of directors were to approve and recommend, and the Calyxt stockholders were to approve, a dissolution of Calyxt, it would be required under the DGCL to pay its outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to the Calyxt stockholders. As a result of this requirement, a portion of Calyxt’ s assets may need to be reserved pending the resolution of such obligations. In addition, Calyxt may be subject to litigation or other claims related to a liquidation and dissolution of the company. If a liquidation and dissolution were pursued, the Calyxt board of directors, in consultation with its advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, in such a circumstance and in light of Calyxt’ s current capital resources, it is highly unlikely that substantial resources, if any, would be available for distributions to stockholders. Calyxt’ s stockholders would likely lose all or a significant portion of their investment. Calyxt has engaged in cost reduction and other cash~~ - **K** ~~focused measures, which may result in challenges in managing its business and executing on its business strategy while successfully completing the Transactions~~ . ~~In light of Calyxt’ s capital resource constraints in recent quarters, management has implemented cost reduction and other cash- focused measures, including reduction of capital expenditures, headcount reductions, and renegotiation or termination of professional services agreements. To conserve cash, Calyxt has also strategically evaluated its arrangements with suppliers and service providers and has, in several instances, transitioned such relationships to lower cost alternative providers. During the course of discussions with~~ Cibus ~~regarding, and following the execution of, the Merger Agreement, Calyxt has further streamlined and focused its business activities on preserving cash sufficient to achieve a closing of the Transactions. Accordingly, Calyxt has taken additional steps to reduce its operating expenses and has focused its continuing operations on scaling production of its Plant Cell Matrix with its manufacturing partner, licensing efforts with respect to its PlantSpring technology and plant traits and continuing to progress its three key customer projects. Calyxt~~ ’ ~~s cost reduction measures have included headcount reductions, which result in the loss of institutional knowledge and expertise as well as reallocations and combinations of certain roles and responsibilities, in each case, which could adversely affect Calyxt’ s operations. As of January 31, 2023, Calyxt had 28 full- time employees, of which ten are within Calyxt’ s administrative, legal, and finance functions. Calyxt’ s ability to continue its day- to- day operations and to successfully complete the merger depends in large part on its ability to retain certain remaining personnel. Despite Calyxt’ s efforts to retain employees, one or more key employees could terminate their employment with Calyxt on short notice. The loss of the services of certain employees could potentially harm Calyxt’ s ability to consummate the merger, to continue its day- to- day business operations, including the progression of its key customer projects, or to fulfill its reporting obligations as a Nasdaq- listed public company. If for any reason the Transactions are not completed and the Calyxt board of directors seeks to continue to operate Calyxt’ s business, Calyxt will face challenges resulting from its streamlined personnel, who will need to continue to implement Calyxt’ s managerial, operational, and financial systems, manage its facilities, and progress customer projects and licensing efforts. As a result, Calyxt’ s management may need to divert a disproportionate amount of its attention away from Calyxt’ s day- to- day strategic and operational activities and devote a substantial amount of time to managing organizational changes. Further, cash- focused headcount reduction measures may yield unintended consequences, such as attrition beyond Calyxt’ s intended reduction in headcount and reduced employee morale. In addition, reductions in the size of Calyxt may result in employees who were not affected by the reductions in headcount seeking alternate employment. The loss of the services of certain employees could potentially harm Calyxt’ s ability to continue its day- to- day business operations, including the progression of its key customer projects, or to fulfill its reporting obligations as a Nasdaq- listed public company. In addition, cost reduction and cash- focused measures that Calyxt has undertaken may result in weaknesses in Calyxt’ s infrastructure and operations, an inability to effectively execute on customer acquisition and business development efforts, loss of business opportunities, reduced productivity among remaining employees, and challenges in complying with legal and regulatory requirements. If the Transactions are not consummated, the negative events referred to above would have a material adverse impact on Calyxt’ s business, operations, reputation, and long-term viability. Moreover, negative publicity associated with such cost- reduction activities and Calyxt’ s failure to consummate the merger could adversely affect Calyxt’ s relationships with its suppliers, service providers, customers and potential~~

~~customers, employees, and other third parties, which in turn could further adversely affect its operations and financial condition. The issuance of shares of Common Stock to Cibus Equityholders in the Transactions will dilute substantially the voting power of Calyxt' s current stockholders. If the Transactions are completed, each outstanding equity interest in Cibus will be converted into the right to receive a number of shares of Common Stock equal to the exchange ratios determined pursuant to the Merger Agreement. Immediately following the Transactions, pre- closing holders of Cibus membership units and warrants are expected to own a substantial majority of the issued and outstanding common stock of the Company, and pre- closing Calyxt stockholders are expected to be substantially diluted. Accordingly, the issuance of shares of Common Stock to Cibus equity holders in the merger will significantly reduce the relative voting power of each share of Common Stock held by current Calyxt stockholders. Consequently, Calyxt stockholders as a group will have significantly less influence over the management and policies of the combined organization after the Transactions than prior to the Transactions. 13 If the combined company after the Transactions is unable to realize the strategic and financial benefits currently anticipated from the Transactions, the Calyxt Stockholders will have experienced substantial dilution of their ownership interests without receiving the expected commensurate benefit, or receiving only part of the commensurate benefit to the extent the combined organization is able to realize only part of the expected strategic and financial benefits currently anticipated from the Transactions. The pendency of the Transactions could have an adverse effect on the trading price of Common Stock and Calyxt' s business, financial condition, results of operations or business prospects. While there have been no significant adverse effects to date, the pendency of the Transactions could disrupt Calyxt' s businesses in the following ways, including: • the attention of Calyxt' s management may be directed toward the closing of the Transactions and related matters and may be diverted from the day- to- day business operations; and • third parties may seek to terminate or renegotiate their relationships with Calyxt as a result of the merger, whether pursuant to the terms of their existing agreements with Calyxt or otherwise. Should they occur, any of these matters could adversely affect the trading price of Calyxt' s Common Stock or harm Calyxt' s financial condition, results of operations or business prospects. Risks Related to Calyxt' s Financial Position and Need for Additional Capital If the Transactions are not completed, Calyxt' s~~ ability to continue as a going concern will depend on its ability to obtain additional **financing in the near term.- 24- As of December 31, 2023, Cibus had $ 32. 7 million of cash and cash equivalents. Current liabilities were $ 21. 3 million as of December 31, 2023. In the absence of significant additional financing, there will likely continue to be substantial doubt about Cibus' ability to continue as a going concern. To finance Cibus' continued operations under its current business plan over the next 12 months, Cibus will need to raise additional capital in addition to incremental proceeds raised pursuant to its ongoing at- the- market (ATM) equity program. Such financing may not be available within Cibus' required timeframes, on acceptable terms, or at all. In light of the foregoing needs and constraints on the Company' s capital resources, its Board of Directors will continue to evaluate a full range of strategic alternatives to maximize shareholder value, which may include potential equity or debt financing transactions, business combination transactions (including an acquisition or merger transaction), sales of assets, licensing, and other strategic transactions. Certain potential strategic transaction alternatives could (i) result in substantial additional dilution to existing stockholders, (ii) result in the issuance of securities with preferences over Cibus' existing Common Stock, (iii) subject the Company to covenants that impose operational restrictions, (iv) require it to relinquish potentially valuable rights to pipeline traits or proprietary technologies, (v) result in the granting of licenses on terms that are not favorable to the Company, or (vi) have a material adverse effect on the market price of the Class A Common Stock. In addition, on October 18, 2023, Cibus implemented a strategic realignment pursuant to which the Company initiated cost reduction initiatives designed to preserve capital resources for the advancement of Cibus' priority objectives, which initiatives included reductions in capital expenditures, streamlining of independent contractor utilization, and prioritization of** near- term **payment obligations** ~~financing, which may not be available on acceptable terms or at all~~. ~~Failure~~ **Cibus' management continues to evaluate and closely manage its capital resources and initiatives in view of current constraints. If Cibus fails** to obtain **substantial funding** ~~this necessary capital when needed may force it to delay, limit or terminate its product development efforts or cease operations. As of December 31, 2022, Calyxt had $ 3. 4 million of cash and cash equivalents. Calyxt' s net loss was $ 16. 9 million for~~ - **or consummate** ~~the fiscal year ended December 31, 2022, and it used $ 19. 4 million of cash for operating activities for the fiscal year ended December 31, 2022. Calyxt has incurred losses since its inception. If the Transactions are not completed and Calyxt does not pursue~~ a ~~liquidation and dissolution or an alternative~~ strategic transaction **in** ~~, Calyxt expects to continue to incur significant expenses and operating losses for~~ the next several ~~years~~ **months and is unable to continue as a going concern, it may be required to discontinue or delay one or more of its development programs or to wind- down its business through the initiation of bankruptcy proceedings** . In ~~light of Calyxt' s capital resource constraints in recent quarters, management has implemented cost reduction and other~~ -- **the** ~~cash~~ **event of a wind** - **down** ~~focused measures to manage liquidity~~ , ~~including reduction of capital expenditures, headcount reductions, and renegotiation or termination of professional services agreements. To conserve cash, Calyxt has also strategically evaluated its~~ - **it is likely that holders of Cibus' Common Stock will lose all or part of** ~~arrangements with suppliers and service providers and has, in several instances, transitioned such relationships to lower cost alternative providers. During the~~ **their investment. If** ~~course of discussions with~~ Cibus **seeks additional financing to fund** ~~regarding, and following the execution of, the Merger Agreement, Calyxt has streamlined and focused~~ its business activities **in** ~~on preserving cash sufficient to achieve a closing of the merger. In light of these~~ -- **the** ~~efforts~~ **future** and ~~taking into account the available Interim Funding from Cibus, Calyxt believes it has sufficient cash to fund operations through the end of the second quarter of 2023. If the Transactions are not completed and Calyxt does not pursue a liquidation and dissolution, its ability to continue as a going concern will depend on its ability to obtain near- term additional public or private equity or debt financing, obtain government or private grants and other similar types of funding, attain further operating efficiencies, and to further reduce or contain expenditures. If Calyxt were unable to raise additional capital in the near term and in a sufficient amount, it would likely need to implement increasingly stringent cost saving measures~~

~~and significantly delay, scale back, or cease operations, in part or in full. Accordingly, Calyxt' s management has concluded~~ there is substantial doubt ~~regarding~~ **about** its ability to continue as a going concern ~~. If Calyxt were able~~ **, investors or other financing sources may be unwilling** to ~~raise~~ **provide** additional **funding** ~~funds through the issuance of additional debt or equity securities in such circumstances, it could result in substantial dilution~~ to ~~its existing stockholders and increased fixed payment obligations, and these securities may have rights senior to those of Calyxt' s shares of common stock. Any of these events could significantly harm Calyxt' s business, financial condition, and prospects. In light of Calyxt' s current stock price and capital resource constraints, there can be no assurance that a potential financing transaction, if any were available, would be sufficient for Calyxt' s financing needs. Calyxt currently has no source of material near- term revenue and may never become profitable. During the course of discussions with~~ Cibus ~~regarding, and following the execution of, the Merger Agreement, Calyxt has streamlined and focused its business activities~~ on **commercially reasonable** ~~preserving cash sufficient to achieve a closing of the Transactions. Accordingly, Calyxt has taken additional steps to streamline its operations and to reduce its operating expenses. Calyxt has focused its operations on: scaling production of its Plant Cell Matrix with its manufacturing partner; licensing efforts with respect to its PlantSpring technology and plant traits; and continuing to progress its three key current customer projects — (1) its research collaboration with a leading global food ingredient manufacturer to develop a soybean trait to serve as an alternative to palm oil, (2) its plant- based chemistry pilot project for a major consumer packaged goods company, and (3) supporting late- stage development activities for Calyxt' s improved digestibility alfalfa trait, which was developed with and licensed to S & W Seed Company. While these three projects are important for Calyxt' s overall product development pipeline, none of these projects is expected to generate material revenue in the near term~~ **terms** ~~. 14 There can be no guarantee that the Transactions will be completed within the anticipated timing~~ or at all. ~~If the Transactions are not completed and Calyxt does not pursue a liquidation and dissolution, its ability to continue as a going concern and advance its operations and key products will depend on its ability to obtain in the near- term additional financing. Over the longer term and until Calyxt can generate cash flows sufficient to support its operating capital requirements, it would expect to finance a portion of future cash needs through (i) any remaining cash on hand, (ii) commercialization activities, which may result in various types of revenue streams from (a) future product development agreements and technology licenses, including upfront and milestone payments, annual license fees, and royalties; and (b) product sales from its proprietary BioFactory production system; (iii) government or other third- party funding, (iv) public or private equity or debt financings, (v) the execution of an alternative strategic transaction, or (v) a combination of the foregoing. However, capital generated by commercialization activities, if any, is expected to be received over a period of time and ramping up over the course of several years, with near- term capital potentially unavailable on reasonable terms, if at all. Calyxt has a limited operating history, which makes it difficult to evaluate its current business and prospects and to assess its future viability. Calyxt is an early- stage synthetic biology company with a limited operating history that to date has been focused primarily on R & D and until October 2021 was pursuing prior go- to- market strategies. Calyxt' s operating results for periods prior to October 2021 reflect results under its prior go- to- market strategies, which involved different areas of focus, different cost structures, and different sources of revenues, which, in combination with its limited operating history, may make it difficult to evaluate its current business and prospects and to assess its future viability. In implementing Calyxt' s current strategic focus on the development of plant- based synthetic biology products, Calyxt encounters risks and difficulties frequently experienced by companies in rapidly developing and changing emergent industries, including challenges in developing products, determining appropriate investments of its limited resources, capital raising, and gaining customers for its novel products and innovations. Plant- based synthetic biology product development is a highly speculative endeavor. It entails significant upfront R & D investment to scale the BioFactory production system to sufficient levels to support commercialization, and there is significant risk that Calyxt will not be able to scale the BioFactory to these levels, or at all. If the Transactions are not completed and Calyxt does not pursue a liquidation and dissolution, these risks will be exacerbated by Calyxt' s limited capital resources. To commercialize its products, Calyxt must be successful in using its PCM structures to produce target molecules at commercial scale and at a commercially viable cost. If Calyxt cannot finance and achieve commercial scale production levels or commercially viable production economies for enough products to support its business plan, including through establishing and maintaining sufficient commercial scale and volume, it will be unable to achieve a sustainable business. Calyxt' s commercial scale production costs depend on many factors that could have a negative effect on its ability to sell products developed for customers at competitive prices, including its ability to establish and maintain sufficient commercial scale and volume to attract third party contract manufacturing, referred to as infrastructure partners. There can be no assurance that Calyxt will be able to engage infrastructure partners on acceptable terms, including reasonable costs per unit of production, or at all, or to maintain relationships with existing infrastructure partners. If the Transactions are not completed and Calyxt does not pursue a liquidation and dissolution and Calyxt is unable to achieve these economies of scale and targeted unit commercial production, its revenues, profitability, and financial condition will be adversely affected. Risks Related to the Company' s Business and its Operations The Company' s operational and financial success depends on its ability to successfully deliver synthetic biology solutions for an expanded group of end markets, which is subject to a variety of risks and uncertainties. Since the Company' s inception, it has deployed its technology platform toward delivering plant- based innovations and solutions, primarily to the agriculture end market. In October 2021, the Company announced a strategic initiative to focus it on engineering plant- based synthetic biology solutions across an expanded group of end markets, including its initial target end- markets — the cosmeceutical, nutraceutical, and pharmaceutical markets — as well as other potential end markets, including advanced materials and chemical industries, in addition to the agriculture end market. This expanded and diversified focus places significant demands on the Company' s management, requires adaptations to its operational infrastructure, and necessitates incremental capital expenditures. During the course of discussions with~~ Cibus ~~regarding, and following the execution of, the Merger Agreement, Calyxt has streamlined and focused its business activities on preserving cash sufficient to achieve a closing of the Transactions. Accordingly, Calyxt has streamlined its operations and to~~

~~reduce its operating expenses. Calyxt has focused its operations on: scaling production of its Plant Cell Matrix with its manufacturing partner; licensing efforts with respect to its PlantSpring technology and plant traits; and continuing to progress its three key current customer projects — (1) its research collaboration with a leading global food ingredient manufacturer to develop a soybean trait to serve as an alternative to palm oil, (2) its plant- based chemistry pilot project for a major consumer packaged goods company, and (3) supporting late- stage development activities for Calyxt' s improved digestibility alfalfa trait, which was developed with and licensed to S & W Seed Company. If the Transactions are not completed and Calyxt does not pursue a liquidation and dissolution, it would need to execute on its business plan with limited capital resources. If Calyxt fails to effectively and efficiently manage and implement its business strategy, if it is unable to differentiate its offerings and capabilities from competitors in the synthetic biology industry, who may have a more established position in the synthetic biology industry, greater financial and operational resources, and other competitive advantages, or if Calyxt is otherwise not successful in marketing its offerings and capabilities to new target customers, its business, financial condition, and results of operations would be adversely impacted. In addition, to the 15 extent Calyxt faces technological and other challenges, including unanticipated costs or delays in the development of compounds intended to be produced using the BioFactory production system, challenges adapting its technology platform for specific customer- driven plant- based chemistry needs, or the inability to effectively or efficiently scale production, its business, financial condition and results of operations would be adversely impacted. The BioFactory production system and Calyxt' s ability to produce plant- based chemistries remain relatively unproven and may not be successful at scale or at all. Market participants, including customers and potential investors, may be skeptical of the viability and benefits of Calyxt' s PlantSpring technology platform and its BioFactory production system because they are based on a novel approach and the adoption of complex and emerging technologies. There can be no assurance that Calyxt' s technology will be understood, approved, or accepted by customers, regulators, and potential investors or that Calyxt will be able to sell its services and products profitably at competitive prices and with features sufficient to establish demand. If market participants are skeptical of Calyxt' s technology, its ability to raise capital and the value of its common stock may be adversely affected.. Moreover, because of the novelty and complexity of the PlantSpring platform and BioFactory production system, achieving broad commercial success may require that the Company overcomes potential customer skepticism regarding its capabilities, particularly in light of the historical challenges of scaling production in the field of synthetic biology. If the Company does not achieve the technical specifications required by its customers or successfully manage new product development processes, or if development work is not performed according to schedule, then its revenue growth from new pipeline products may be prevented or delayed, and its business and operating results may be harmed. In order for novel products from the PlantSpring technology platform and its BioFactory production system to be successfully commercialized, it will be important for the Company to establish relationships not only with customers, but also with their suppliers in order to gain visibility into market trends, feature and specification demands, and manufacturing, regulatory, and distribution challenges. If the Company is unable to convince potential customers or their suppliers of the value of its synthetic biology products, it will not be successful in entering these markets and its business and results of operations will be adversely affected. The Company~~ faces significant competition and many of its competitors have substantially greater financial, technical, and other resources than ~~Calyxt~~ **Cibus does** . The ~~market~~ **markets in which Cibus operates are highly competitive, and Cibus faces significant competition in its business. In agriculture, competition** for **improving plant genetics comes from traditional and advanced plant breeding techniques, as well as from the development of desirable plant traits through gene editing techniques. Competition for the discovery of new desirable traits based on biotechnology is likely to come from a relatively small number of major global agricultural chemical companies, smaller biotechnology research companies and institutions, and academic institutions. For improving crop yields, Cibus' traits compete as a system with other practices, including the application of crop protection chemicals, fertilizer formulations, farm mechanization, other biotechnology, and information management. Programs to improve genetics and chemistry are generally concentrated within a relatively small number of large companies, while non- genetic approaches are underway with a broader set of companies. With respect to the development of sustainable ingredients, competition comes from traditional chemical and non- sustainable ingredients primarily produced by global health and nutrition companies, large international chemical companies, and companies specializing in specific** products ~~developed with~~ **, such as flavor or fragrance ingredients, as well as from emerging alternatives produced from renewable sources, including fermentation and** synthetic biology ~~is highly competitive, and the Company faces significant direct and indirect competition in several aspects of its business~~ . ~~See " Item 1. Business – Competition. "~~ Many of ~~these~~ **Cibus' current or potential** competitors **, either alone or with their R & D or collaboration partners,** have ~~substantially~~ **significantly** greater financial ~~, technical~~ **resources and expertise in R & D** , marketing, ~~sales, distribution,~~ and ~~other~~ **licensing than Cibus does and invest substantial** resources ~~than the Company. Many competitors engage~~ in ongoing R & D **. Further** , **many** ~~and technological developments by its~~ competitors ~~could~~ **have well-developed networks for their products, including valuable historical relationships with potential customers that it is seeking to engage with. Smaller or early- stage companies may also prove to be significant competitors, particularly through R & D and collaborative arrangements with large and established companies. Competitors also compete with Cibus in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to, or necessary for, Cibus' programs. Future mergers and acquisitions may result in a concentration of resources among an increasingly smaller number of competitors. In addition, large seed companies that Cibus intends as potential customers may seek to bring gene editing capabilities in- house, which may reduce the available customer pool for Cibus. Cibus' ability to compete depends on its ability to anticipate market demands and responsively innovate in an efficient manner. At the heart of Cibus' innovation activities is its proprietary RTDS technologies. If Cibus' competitors are able to refine existing alternative gene editing technologies to be, or develop new gene editing technologies that are, superior to its RTDS technologies, Cibus may face reputational damage and a decline in the demand for its products.**

Ultimately, if Cibus cannot demonstrate that its products are better alternatives to existing or future product options, Cibus may not succeed in its markets, or its technologies may be ~~render~~ **rendered** ~~the Company' s technology less competitive or~~ obsolete ~~, resulting in reduced revenues compared to expectations. As a result, the Company may be unable to compete successfully against its current~~ or **uneconomical** ~~future competitors~~ , which ~~may~~ **would adversely affect its business,** ~~result~~ **results of operations** ~~in reductions in revenue~~ , ~~reduced margins,~~ and **financial condition** ~~the inability to achieve market acceptance for its products~~ . **- 25- Cibus'** ~~The Company expects to continue to face significant competition. The synthetic biology industry is still emerging and is characterized by rapid and significant technological changes, frequent new product introductions and enhancements, and evolving industry demands and standards. The Company' s~~ success depends **, in part,** on its ability to **effectively estimate future** ~~sign and initiate commercial programs using its customer~~ demand ~~- driven approach to selecting compounds for development and scaling the production of those compounds in its BioFactory production system. To compete, the Company' s development activity needs to occur on a timely and cost- effective basis, and it will need to continue to advance its technology. However, in light of the Company' s efforts to preserve cash, it has presently suspended non- core activities, such as efforts toward the development and integration of artificial intelligence and machine learning capabilities (AIML) and the initiation, development and commercialization of additional synthetic biology products, or chemistries, beyond those involved in the continuing operations identified above. The Company' s ability to compete effectively and to achieve commercial success also depends, in part, on its ability to identify and attract customers who contract with it to develop products for use in their production and contracting with those same third parties for the commercialization of those products. The Company may not be successful in achieving these factors and any such failure may adversely affect its business, results of operations and financial condition. Moreover, the Company' s ability to attract and contract with customers has been hampered by the Company' s capital resource constraints and cost reduction efforts~~ . Due to the lead time involved in developing a **gene edited plant** product ~~for a customer using the Company' s platform~~ , **Cibus and** its ~~potential~~ **licensee** customers **must** ~~will be required to~~ make a number of assumptions and estimates regarding the commercial feasibility of **development** ~~the plant- based chemistry~~ , including assumptions and estimates regarding the demand for ~~those~~ end- products **containing Cibus licensed intellectual property** ~~and processes that will utilize the plant- based chemistry developed with the Company' s technology~~ , the existence or non- existence of products being simultaneously developed by competitors, **global and regional agricultural and macro- economic conditions, and** potential market penetration and obsolescence, whether planned or unplanned **. Any failure to realize such demand forecasts for Cibus' products or downstream products containing Cibus' intellectual property could have a material adverse effect on Cibus' business** , **results of operations, and financial condition** . As a result, it is possible that **Cibus** ~~the Company may reach an~~ **and its licensee** ~~agreement with a customer~~ **customers** ~~who wishes~~ **may invest substantial time and resources** to develop **intellectual property for** a **contemplated** product that ~~has been~~ **is quickly** displaced **or that** ~~by the time of launch,~~ addresses a market that no longer exists or is smaller than previously thought **. Cibus' business activities are currently conducted** ~~, that end- consumers do not like or otherwise is not competitive~~ at **a limited number of locations, and damage or business disruptions at** ~~the~~ **these** ~~time of launch~~ **locations would have an adverse effect on its business. Cibus' current headquarters** , ~~in each case~~ **as well as its Oberlin Facility** , ~~after the incurrence of significant opportunity costs by the Company to develop such a product~~ **are located in San Diego, California. At present, Cibus' R & D operations are conducted at both its San Diego, California and Roseville, Minnesota facilities** . In addition, ~~potential~~ **Cibus' first generation parent seed is also produced by Cibus staff in greenhouses near its headquarters and hybrids designated for testing are developed using several different cooperators, primarily in Chile. Cibus takes precautions to safeguard its facilities, including restricting access to its facilities, maintaining** ~~customers~~ **customary** ~~will be required to make assumptions about the Company' s ability to execute~~ **insurance coverage, implementing safety protocols, and keeping critical research results and computer data backed- up** on ~~such product development initiatives, including the Company' s ability to continue as a going concern through the product development lifecycle. In certain circumstances, competitors who license the Company' s technology could use those technologies to develop their own products that would compete with products commercialized by the Company' s agriculturally focused collaboration partners, which may impact its future royalties. The Company also anticipates that competition in the synthetic biology industry will increase in the future as new companies enter the market and new technologies become available. The Company' s technology may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of~~ **off - site storage networks** ~~its competitors that are more effective or that enable them to develop and commercialize products more quickly or with lower expense than the Company is able to~~ . **However** ~~At the same time~~ , **damage** ~~the expiration of patents covering existing technologies reduces the barriers~~ to ~~entry~~ **, for** - **or** ~~competitors. If~~ **destruction of, critical facilities, equipment, inventory** ~~for~~ - **or** ~~any reason the Company' s technology becomes obsolete or uneconomical relative to competitors' technologies, this would prevent or limit its ability to generate revenues from the commercialization of its products. 16 If the Company cannot enter into new customer partnerships and successfully execute on the underlying product~~ development projects ~~to bring a customer~~ **, or any business disruptions at Cibus** ' ~~s~~ **critical locations, whether due to natural disasters, acts of vandalism, or otherwise, could cause substantial delays in R & D activities and commercial licensing efforts and could cause Cibus to incur additional expenses. Cibus' research and development efforts may be slower than expected and not be successful. The development and advancement of Cibus' gene edited trait products entail substantial R & D efforts using complex technology platforms, such as its RTDS. These development efforts require significant investments, including expenses relating to laboratory infrastructure as well as greenhouse and field testing. Historically, Cibus has incurred significant R & D expenses. Cibus intends to continue to invest in R & D to develop and validate its technologies, productivity traits, and other gene edited** plant- based ~~chemistry~~ **products. Notwithstanding its investments in R & D, there is significant risk that Cibus will not be able** to ~~commercial~~ **achieve its development goals in the desired timeframe or at all, and Cibus may not realize significant product revenue in the near term, if ever. Moreover, the**

application of gene editing technologies can be unpredictable and may prove to be unsuccessful when attempting to achieve desired productivity traits in different crops and plants or to produce gene edited plant- based products at scale ~~production and ultimately sell~~ **. For example, Cibus may be unable to achieve a desired trait using its RTDS, or Cibus' productivity traits that perform in** ~~them~~ - **the greenhouse may not achieve similar performance levels in** the **field, or may achieve varying performance levels as a result of environmental and geographic conditions. Any such outcomes or variations could substantially harm Cibus' ability to license the relevant intellectual property for such** ~~product~~ **products** ~~, its business will be adversely affected~~ . ~~The Company' s approach~~ **Even if successfully executed, the value that Cibus ascribes** to **its** ~~product~~ **products** ~~development~~ **may not be recognized or accepted by potential licensors or their downstream end- user customers. Lastly, the field of gene editing in plants** is **still** ~~customer demand- driven and as a result, its success depends on the number, size, and scope of customer collaborations. The Company' s ability to win~~ - **in** ~~new business depends on many factors~~ **its early stages. Unexpected or negative developments from the use of RTDS** , including **with respect** ~~its reputation in the market, the differentiation of its PlantSpring technology platform and BioFactory production system relative~~ to ~~alternatives, the pricing and efficiency of its offerings relative to alternatives, its financial stability (including market participants' expectations about the Company' s ability to continue as a going concern), and its technical capabilities. If the Company fails to establish a position of strength in any of these~~ -- **the** ~~factors~~ **exhibition of unanticipated undesirable traits or characteristics** , ~~its ability to either sign new customer agreements may suffer and this~~ could adversely affect **the commercial value of Cibus' product offerings and harm** its ~~prospects~~ **reputation** . ~~During~~ **In addition, negative developments arising from its competitors' use of certain gene editing technologies could harm the reputation of gene editing technology, generally. Cibus intends to license the intellectual property produced through its gene editing technologies to third parties for use in their products and will be dependent on** ~~the~~ **them** ~~course of discussions~~ **to successfully commercialize such products. Cibus' business model contemplates that it will license to third parties — primarily seed companies — the intellectual property** with **respect to substantially all of the productivity traits it develops for sale in their product offerings.** Cibus ~~regarding~~ **' licensee customers will typically oversee the development and commercialization of seeds containing such licensed intellectual property. In such cases** , **Cibus' ability to achieve milestone payments or generate royalties is not within its direct control and will substantially depend on the efforts and success of its licensee customers. If Cibus' licensees are delayed or unsuccessful in introducing Cibus' licensed intellectual property into their products or commercializing the products that contain Cibus' licensed intellectual property, or if they fail to devote sufficient time and resources to support the marketing and selling efforts of those products, Cibus may not receive royalty payments as expected and its financial results could be- 26- harmed. Further, if these licensee customers fail to market products incorporating Cibus' intellectual property at prices that will achieve or sustain market acceptance for those products, Cibus' royalty revenues could be further harmed. Customer relationships that Cibus establishes may not result in revenue generating commercial contracts. In light of the nature of Cibus' relationship with seed companies, Cibus refers to seed companies as " customers " when Cibus commences a collaboration process to make edits in such seed companies' elite germplasm. All such collaboration processes begin with** ~~and~~ - **an agreement on the material transfer of the customer' s elite germplasm to Cibus for editing and agreement on the specific edits to be performed,** following **which** the ~~execution of,~~ **gene editing germplasm is delivered back to** the ~~Merger~~ **seed company for validation. Although Cibus believes that the initiation of this collaboration process with the entry into a material transfer** ~~Agreement~~ **agreement reflects the parties' joint intent of commercializing the Cibus trait in the customer' s elite germplasm** , ~~Calyxt~~ **seed companies are generally not obligated under such agreements to advance toward commercialization. In order to convert such early relationships into revenue generating commercial arrangements, Cibus will need to negotiate commercial contract terms following the customers' trait validation. If Cibus fails to do so, or if the terms of such commercial contracts are not attractive, Cibus' business, results of operations, and financial condition may be adversely effected. Any partnerships that Cibus may enter into in the future may not be successful. Cibus may seek R & D partnerships or joint venture arrangements with third parties for the development or commercialization of certain intellectual property. To the extent that Cibus pursues such arrangements, Cibus will face significant competition in seeking appropriate partners. Moreover, such arrangements are complex and time consuming to negotiate, document, implement, and maintain. Cibus may not be successful in establishing or implementing such arrangements. The terms of any partnerships, joint ventures, or other arrangements that Cibus may establish may not be favorable to Cibus. The success of any future partnerships or joint ventures is uncertain and will depend heavily on the efforts and activities of Cibus' partners. Such arrangements are subject to numerous risks, many of which are outside of Cibus' control, including the risks that: • its partners may have significant discretion in determining the efforts and resources that they will apply to the arrangement; • its partners may not contribute sufficient capital or resources toward development in light of changes in strategic focus, competing priorities, availability of funding or capital resources, or other external factors; • its partners may delay or abandon development efforts, fail to conduct R & D activities that produce sufficient conclusory data, or provide insufficient funding; • its partners could develop, independently or with third parties, intellectual property or products that compete with Cibus' products; • partners who license intellectual property rights from Cibus may not commit sufficient resources to, or otherwise not perform satisfactorily in executing, downstream product commercialization activities; • to the extent that such arrangements provide for exclusive rights, Cibus may be precluded from collaborating with others; • its partners may not properly maintain or defend Cibus' intellectual property rights, or may use Cibus' intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate Cibus' intellectual property or proprietary information or expose Cibus to potential liability; • disputes may arise between Cibus and a partner that causes the delay or termination of R & D activities or downstream product commercialization efforts, or that result in costly litigation or arbitration that diverts management**

attention and resources; • such arrangements may be terminated, and, if terminated, may result in a need for additional capital for Cibus' independent pursuit of matters previously covered by such arrangement; • its partners may own or co-own intellectual property that results from its arrangement; and • a partner' s activities may not be in compliance with applicable laws resulting in civil or criminal proceedings. If ongoing or future field trials are unsuccessful, Cibus may be unable to complete the development of productivity trait candidates on a timely basis or at all. Cibus relies on field trials to evaluate and demonstrate the efficacy of productivity traits that it has ~~streamlined~~ **developed** and ~~focused~~ **evaluated in greenhouse conditions. Field trials allow Cibus to test the productivity traits that** ~~its~~ **it** ~~business activities on preserving cash sufficient to achieve a closing of the Transactions. Accordingly, Calyxt~~ has ~~streamlined~~ **developed as well as to increase seed production, and to measure performance across multiple geographies and conditions. The successful completion of field trials** ~~its~~ **is critical** ~~operations and~~ to ~~reduce~~ **the success of Cibus' productivity trait development efforts and supports** its ~~operating expenses. While~~ licensing efforts with respect to its ~~PlantSpring technology and plant~~ **productivity trait candidates.- 27- If Cibus' ongoing or future field trials are unsuccessful or produce inconsistent results or unanticipated adverse effects on the agronomic performance of seeds with its** traits ~~remains an operational focus~~ , ~~Calyxt' s streamlined workforce and the prioritization of its available resources has substantially limited the number of chemistries being actively pursued by Calyxt. The focus of Calyxt' s management on the Transactions and the uncertainty arising from the Transactions has significantly reduced the number of active projects. In the course of business development discussions, Calyxt may spend considerable time and money engaging in strategic and feasibility assessments, including understanding the technical specifications of a particular plant- based chemistry, customer concerns and limitations, and the legal~~ or ~~regulatory landscape of a potential program or offering, which may not result in a commercial agreement. Even~~ if ~~an agreement is reached,~~ the **field trials** ~~resulting relationship may not be successful for many reasons, including the Company' s inability to complete the development of a plant- based chemistry to the customers' specifications or within the customers' time frames, or unsuccessful development or commercialization of products or processes by its customers. In such circumstances, the Company' s revenues from such an agreement might be meaningfully reduced. Development of new or improved plant- based synthetic biology products that meet customer demand- driven specifications involves risks of failure inherent in the deployment of innovative and complex emerging technologies. Accordingly, if the Company or its infrastructure partners experience any significant delays in the development of new products or if new products~~ do not ~~meet customer specifications~~ **produce reliable data** , **Cibus' productivity trait development efforts could be delayed, subject to additional regulatory review, or abandoned entirely. In addition, in order to support its licensing efforts, it is necessary to collect data across multiple growing seasons and from different geographies. Even in cases where initial field trials are successful, Cibus cannot be certain that additional field trials conducted on a greater number of acres or in different geographies will also be successful. Many factors that are beyond Cibus' control may adversely affect the success of these field trials, including unique geographic conditions, weather and climatic variations, disease or pests, or acts of protest or vandalism. Field trials, which may take up to 2- 3 years, are costly, and any field trial failures that Cibus may experience may not be covered by insurance and, therefore, could result in increased costs, which may negatively impact** its business **and** ~~, operating~~ results **of operations** ~~, and financial condition would be adversely affected~~ . **Cibus** ~~The Company~~ relies on third parties ~~for at- scale production~~ **to conduct, monitor, support,** and ~~other services~~ **oversee field trials** , and any performance issues by **them may impact Cibus' ability to successfully commercialize products or license traits. Cibus currently relies on third parties, such as growers, consultants, contractors, and universities, to conduct, monitor, support, and oversee its field trials. Because field trials are conducted in multiple geographies, it is often difficult for Cibus to monitor the daily activity of the work being conducted by** such third parties **that it** ~~, or the Company' s inability to engage~~ **engages . Although Cibus provides its third parties with extensive protocols regarding the establishment, management, data collection, harvest, transportation, and storage of its productivity trait candidates, Cibus has limited control over the execution of field trials. Poor field trial execution or data collection, failure to follow required agronomic practices, protocols, or regulatory requirements, or mishandling of productivity trait candidates by these third parties could impair the success of Cibus' field trials. Any such failures may result in delays in the development of Cibus' productivity trait candidates or generate additional costs. Ultimately, Cibus remains responsible for ensuring that each of its field trials is conducted in accordance with the applicable protocol, legal and regulatory, and agronomic standards, and its reliance on third parties does not relieve Cibus of its responsibilities. Should such third parties fail to comply with these standards, Cibus' ability to develop its productivity trait candidates for licensing could be adversely impacted, and Cibus may be forced to incur additional costs in regaining compliance. Additionally, if Cibus is unable to enter into, or maintain, agreements with such** third parties on acceptable terms, ~~may impact the Company' s ability to successfully meet its commercial obligations. The Company' s current plan is to contract with third- party infrastructure partners for~~ **or** ~~at- scale production of its PCM structures and for other R & D services. In the third quarter of 2022, Calyxt signed an agreement with its first infrastructure partner, Evologic, to further develop and scale it' s PCM structures. Evologic is currently scaling one of the Company' s PCM structures. Although the Company intends to provide for audit and / or inspection rights for all infrastructure partners and provides infrastructure partners with protocols regarding the production and handing of its plant- based chemistries, it has limited control over the execution of their activities. Poor execution, failure to follow required protocols or regulatory requirements, or mishandling of the plant- based chemistry by these infrastructure partners could impair success, delay production, cause the Company to incur incremental costs, or damage the customer relationship. Even~~ if **any such** ~~the Company' s infrastructure partners adhere to protocols, production runs and other R & D activities may fail to succeed for a variety of other reasons. Ultimately, the Company remains responsible for ensuring work performed is conducted in accordance with the applicable protocol and standards, and reliance on infrastructure partners does not relieve the Company of its responsibilities. Should these infrastructure partners fail to comply with these standards, the Company' s ability to develop~~

~~plant- based chemistries in accordance with customer specifications or in a timely manner could be adversely impacted. Additionally, if the Company is unable to maintain or enter into agreements with infrastructure partners on acceptable terms, or if~~ engagement is terminated prematurely, **Cibus may be unable to conduct or complete its field trials in the manner** it ~~may be unable to conduct or complete research, development, and production in the anticipated~~ **anticipates** ~~manner. For example, establishing and operating infrastructure partner facilities may require the Company to make significant capital expenditures, which reduces its cash and places such capital at risk. Also, infrastructure partner agreements may contain terms that commit the Company to pay for other costs and amounts incurred or expected to be earned by the plant operators and owners, which can result in contractual liability and losses for it even if it terminates a particular infrastructure partner arrangement or decides to reduce or stop production under such an arrangement. Further, the Company cannot be sure that contract manufacturers will be available when it needs their services, that they will be willing to dedicate a portion of their capacity to its projects, or that it will be able to reach acceptable price, delivery, and other terms with the infrastructure partners for the provision of their production services~~ . If **Cibus** ~~the Company~~ ’ ~~s~~ relationship with any of these ~~infrastructure~~ **third** ~~partners~~ - **parties** is terminated, ~~it~~ **Cibus** may be unable to enter **into** arrangements with alternative ~~infrastructure~~ **third** ~~partners~~ - **parties** on commercially reasonable terms, or at all. Switching or adding ~~infrastructure~~ **third** ~~partners~~ - **parties** can involve substantial cost and require extensive management time and focus. In addition, there is a natural transition period when any new ~~infrastructure partner~~ **third party** commences **field trial** work. As a result, delays may occur, which could materially impact **Cibus** ~~the Company~~ ’ ~~s~~ ability to meet **its** desired development timelines **. Cibus may lack the necessary expertise** , **personnel, and resources to effectively license** its ~~achievement of~~ **priority productivity trait** ~~product~~ **products . To successfully license the intellectual property underlying Cibus’ priority productivity trait products, Cibus must develop, foster, and maintain commercial relationships with a range of potential seed company customers, including potential customers that may have long** - ~~related~~ **standing historical relationships with competitors or that may have, or be developing, in- house gene editing capabilities. In order to be successful in this regard, Cibus will need to develop and enhance its commercial team to both establish new relationships as well as to maintain relationships with existing seed company customers. To foster the commercial success of Cibus’ licensee customers in effectively marketing and commercializing their products containing Cibus licensed intellectual property, Cibus will need to develop and build- out its understanding of the seed industry and such customers’ capabilities. Factors that may affect Cibus’ ability to effectively license its intellectual property and support its licensee’ s commercialization efforts include its ability to: recruit and retain adequate numbers of qualified personnel, effectively develop relationships with potential licensee customers in the seed industry, secure license agreements with companies requiring them to undertake specific commercialization activities within specified timeframes, and persuade downstream farmers to purchase and use seed products that integrate Cibus licensed intellectual property. Developing and maintaining such capabilities requires significant investment, is time consuming and could delay the licensing of Cibus’ intellectual property with respect to productivity traits or the commercial launch of its licensees’ seed products. Interruptions in the production or transportation of parent seeds could adversely affect Cibus’ operations and profitability. With respect to productivity traits, Cibus’ licensee customers will provide elite germplasm to Cibus so that Cibus may introduce a desired productivity trait. Cibus will produce parent or hybrid seeds containing such productivity traits for the licensee customer. Cibus’ licensee customers would then utilize the parent seed containing Cibus’ traits to produce their own hybrids. Cibus will rely on contract seed producers for such parent seed production. Poor execution, failure to follow required agronomic practices, protocols, or regulatory requirements, or mishandling of productivity trait candidates by these contract seed producers could adversely affect products. Any such failures may result in delays in Cibus’ ability to deliver parent seed to Cibus’ licensee customers in a timely manner. Such delays could adversely affect the ability of Cibus’ licensee customers to deliver hybrid seed products to farmers to meet their planting window. Cibus’ dependency upon timely seed deliveries means that interruptions or stoppages in such deliveries, or delays or limitations with respect to seed production, could adversely affect Cibus’ operations until alternative arrangements could be made. Such a delay would adversely affect Cibus’, and its licensee customers’, reputations and** revenues ~~,~~ and ~~profitability~~ **could result in write- offs of inventory** . ~~17~~ If **Cibus was unable to produce** the **necessary seed** ~~Company’ s technology licensees are delayed or~~ **for an extended period** ~~unsuccessful in their development activities associated with their license~~ of ~~the technology~~ **time for any reason** , its ~~financial~~ **business, customer relations, and operating** results could **suffer** ~~be affected~~ . **- 28- Cibus may not be able to identify suitable** ~~The Company’ s strategy includes licensing its technology and its historically developed~~ seed ~~- trait~~ **producers to meet its** ~~product~~ **production** ~~candidates~~ **needs. If Cibus does identify suitable seed producers, it may not be able to enter into cost effective agreements on acceptable terms. If any contract seed producers whom Cibus engages fail to perform their obligations as expected** ~~for~~ - **or** ~~traditional agriculture~~ **breach or terminate their agreements with Cibus, or if Cibus is unable** to **secure the services of such** third parties **when and as needed, Cibus may lose opportunities to generate revenue from product sales. Cibus’ products may not achieve commercial success quickly or at all. Cibus intends to license intellectual property with respect to its RTDS- developed productivity traits and sustainable ingredient products to third parties. Cibus’ productivity traits are in various stages of development and sustainable ingredient products would be developed solely in response to customer demand. There are no established channels to market for the commercialization by potential licensee customers of any of Cibus’ products** . If **Cibus is unable to license its productivity traits and sustainable ingredient products on a significant scale,** ~~the~~ **then** ~~Company~~ **Cibus may not be successful in building a profitable business. Cibus expects to price its licenses based on its assessment of the value that Cibus** ’ ~~s~~ **productivity traits or sustainable ingredient products will provide within the relevant end product market dynamics, rather than on the cost of production. If** licensees ~~are delayed~~ , **commercial product end users, or other market participants attribute a lower value to Cibus’ productivity traits or sustainable ingredient products than Cibus does, they may not be willing to pay the premiums that Cibus expects to** charge. Pricing levels may also be negatively affected if Cibus' productivity traits or sustainable ingredient products traits are unsuccessful ~~in their development and commercialization efforts,~~ or ~~if~~ suboptimal in producing or exhibiting ~~they~~ the characteristics expected by Cibus ~~fail to devote sufficient time~~ and ~~resources~~ its licensees. Public understanding of Cibus' RTDS technologies and public perception and acceptance of gene editing technologies, including Cibus' RTDS technologies, could affect Cibus' sales and results of operations. The ability of Cibus' licensees to ~~support~~ successfully commercialize products containing Cibus' intellectual property depends, in part, on public understanding and acceptance of gene editing. Such understanding is particularly relevant with respect to plant gene editing, where end products may enter consumer food supply chains. Farmers, seed companies, and end- product consumers may not understand the nature of Cibus' RTDS technologies or the scientific distinction between Cibus' non- transgenic products and processes and transgenic products and processes of competitors. As a result, ~~the~~ these ~~marketing~~ parties may transfer negative perceptions and ~~selling efforts~~ attitudes regarding transgenic products to Cibus' products and productivity trait candidates. A lack of understanding of Cibus' RTDS technologies may also make consumers more susceptible to the influence of negative information provided by opponents of biotechnology. Some opponents of biotechnology actively seek to raise public concern about gene editing, whether transgenic or non- transgenic, by claiming that plant products developed using ~~the licenses of the Company' s technology~~ biotechnology are unsafe for consumption or use , pose risks of damage to the environment, or create legal, social, and ethical dilemmas. The commercial success of Cibus' trait candidates may be adversely affected by such claims, even if unsubstantiated. In addition, extreme opponents of biotechnology have vandalized the fields of farmers planting biotech seeds and facilities used by biotechnology companies. Any such acts of vandalism targeting the fields of farmers planting seed with Cibus traits, Cibus' field testing sites, or ~~it~~ its research, production, or other facilities, could adversely affect Cibus' sales and costs. Negative public perceptions about gene editing can also affect the regulatory environment in the jurisdictions in which Cibus is targeting the licensing of its intellectual property. Any increase in such negative perceptions or any restrictive government regulations in response thereto, could have a negative effect on Cibus' business and may ~~not~~ delay or impair its ability to enter licensing agreements or to receive milestone and ~~/ or~~ royalty payments pursuant to such licensing arrangements. Risks Related to the Agriculture Industry Cibus' estimates and forecasts with respect to total acres, accessible acres, trait fees, and assumptions regarding Cibus' trait penetration rates and potential market share may prove to be inaccurate. Estimates about current markets and market opportunity estimates, projections, and forecasts are based on assumptions and estimates by Cibus' management that may not prove to be accurate and are therefore inherently uncertain. Cibus' management makes estimates that it believes to be reasonable based on currently available information, but estimates, projections, and forecasts relating to the size and expected growth of Cibus' industry, the biotech seeds market, the market for productivity traits and expected trait penetration, and estimates regarding Cibus' ability to capture accessible acres may prove to be materially inaccurate. In addition, management' s estimates about the incremental value increase that a novel, newly developed productivity trait may produce, may prove to be materially inaccurate. In particular, management' s estimates, projections, and forecasts include an assumption that changes are likely to be made to the EU regulatory landscape that would enable Cibus' productivity traits to be licensed for use in seed distributed in EU member states. This assumption could prove to be incorrect and if the RTDS technologies by which Cibus' productivity traits are developed continue to be subject to GMO regulation in the EU, Cibus' estimates, projections, and forecasts would need to be materially revised. Assumptions regarding uncertain regulatory outcomes are subject to numerous risk. See " — Risks Related to Regulatory and Legal Matters. "- 29- Even if Cibus' general industry and market projections and forecasts are achieved, Cibus' business could fail to realize management' s expectations with respect to Cibus' ability to compete effectively, including by capturing addressable acres and realizing management' s expectations regarding trait values. The overall agricultural industry is susceptible to commodity and raw material price changes. Prices for agricultural commodities and their byproducts are often volatile and sensitive to local and international changes in supply and demand caused by a variety of factors, including general economic conditions, farmer planting and selling decisions, government agriculture programs and policies, global and local inventory levels, demand for biofuels, weather and crop conditions, food safety concerns, government regulations, and demand for and supply of, competing commodities and substitutes. As a result, Cibus may not be able to anticipate or react to changing costs by adjusting its practices, which could cause its operating results to deteriorate. Cibus may engage in hedging or other financial transactions to mitigate these risks. If these efforts are not successful, it could materially affect Cibus' business, operating results, and prospects and cause the value of its securities to decline. The successful licensing of Cibus' productivity trait candidates, and the commercialization by seed partners of seed products containing these traits, may also be adversely affected by fluctuations in the prices of agricultural commodities and agricultural inputs, such as fertilizer, energy, labor, and water, in each case caused by market factors beyond Cibus' control. Changes in the prices of certain raw materials used by farmers in growing Cibus' crops could result in higher overall costs along the agricultural supply chain. Depending on the nature of such price changes, the cultivation of certain crops could be impacted to a greater extent than others. While increases in certain costs could make certain of Cibus' productivity traits more valuable, increases in certain raw material costs could adversely affect demand for Cibus' productivity traits, including as a result of farmers being less willing to transition to new and unfamiliar seed products containing Cibus traits. Adverse weather and environmental conditions and natural disasters can cause significant costs and losses. Cibus' revenues will depend, in part, on trait royalties paid to Cibus from seed sales by the companies that license Cibus' productivity traits for their commercial seed products. Cibus' licensees' seed crops are vulnerable to adverse weather conditions, including windstorms, floods, drought, and temperature extremes, which are common but difficult to predict. In addition, such seed crops are vulnerable to crop disease and to pests, which may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied, and climatic conditions. The weather also can affect the quality, volume, and cost of seed produced for sale as well as demand and product mix. In addition, climate change may increase the frequency or intensity of extreme weather such as storms, floods, heat waves, droughts, and other events that could affect the quality, volume, and cost of seed produced for sale as well as demand and product mix. Climate change may also affect the availability and suitability of arable land and contribute to unpredictable shifts in the average growing season and types of crops produced. Unfavorable growing conditions can reduce both crop size and quality. Although Cibus licenses its traits to seed companies that are responsible for the growing of their seed directly, these factors can still impact Cibus by potentially decreasing the quality and yields of seed containing Cibus' productivity traits and reducing Cibus' licensees' available inventory. These factors can adversely impact Cibus' licensees sales, which would result in lower royalty payments to Cibus, which in turn may have a material adverse effect on Cibus' business, results of operations, and financial condition. The agricultural industry is highly seasonal, which may cause Cibus' sales and operating results to fluctuate significantly. The sale of plant and seed products is dependent upon growing and harvesting seasons, which vary from year- to- year and across geographies as a result of weather- related shifts in planting schedules and purchase patterns of farmers. Seasonality in the seed industry is expected ~~,~~ to result in both highly seasonal patterns and substantial fluctuations in quarterly sales and profitability for Cibus' business and may be further impacted by climate change. Seasonality also relates to the limited windows of opportunity that farmers have to complete required tasks at each stage of crop cultivation. Weather and environmental conditions and natural disasters, such as heavy rains, hurricanes, hail, floods, tornadoes, freezing conditions, excessively hot or cold weather, drought, or fire, affect decisions by farmers about the types and amounts of seeds to plant and the timing of harvesting and planting such seeds. Should adverse conditions occur during key growing and harvesting seasons, such conditions could substantially impact demand for agricultural inputs. Any delayed or cancelled orders as a result of such conditions would negatively affect the quarter in which they occur and cause fluctuations in Cibus' operating results. Regulatory requirements in certain jurisdictions for gene edited products are evolving, and adverse regulatory changes could have a significant negative impact on Cibus' ability to develop and commercialize its product candidates. Although the regulatory framework applicable to Cibus and its trait products in several strategically important jurisdictions, such as the United States, Canada, and certain Latin American countries, ~~its~~ is currently favorable, there can be no guarantee that the governing regulations in such jurisdictions will not change. Governments of, or regulators within, such jurisdictions could institute new laws or regulations, modify existing laws or regulations, or change the way they interpret existing laws and regulations, in each case, in a way that subjects Cibus and its trait products to more burdensome standards. If the regulatory frameworks in strategically important- 30- jurisdictions changes in a manner adverse to the Company' s interests, this could substantially increase the time and costs associated with required regulatory activities of Cibus and its customers. If the regulatory burden and expense required for the utilization of Cibus' products becomes too significant, its customers may seek alternatives that involve lesser regulatory costs. In key strategic jurisdictions, such as the United States, the Company' s productivity trait candidates are not considered " regulated " articles, and therefore are not subject to the substantially more burdensome regulations applicable to regulated articles, such as GMOs or plant pests. In the event that any of Cibus' productivity trait candidates are determined by applicable regulators to be regulated articles or plant pests, Cibus would be required to comply with a more onerous regulatory framework, which may include extensive permitting and notification requirements. Moreover, Cibus cannot assure you that applicable regulators will analyze any of Cibus' future productivity trait candidates in a manner consistent with their analysis of Cibus' products or productivity trait candidates to date. Complying with regulatory frameworks applicable to regulated articles or plant pests, even in respect of a limited number of products, would be a costly, time consuming process and could substantially delay or prevent the commercialization of Cibus' products. Potential changes in regulatory frameworks that would be beneficial to Cibus may not come to fruition or may have features that are not advantageous to Cibus. For example, the existing EU regulatory framework considers organisms obtained by modern mutagenesis plant breeding technologies, including the technologies utilized for substantially all productivity traits in Cibus' current pipeline, as GMOs. As a result, the current EU regulatory framework effectively precludes access to potential licensee customers in the EU with respect to Cibus' gene edited productivity traits. As described under " Item. 1 Business — Government Regulations and Product Approval — European Union, " following a multi- year regulatory process, on July 5, 2023, the European Commission proposed the NGT Proposal, which would enable certain gene editing to be regulated similar to conventional breeding. On February 7, 2024, the European Parliament adopted its position on the European Commission' s proposal, generally accepting the principles proposed by the European Commission in the NGT Proposal, subject to a number of amendments. Although the Company is encouraged by the progress to date toward relaxation of the EU regulatory framework, the final text of any legislation and its ultimate adoption remain subject to political negotiations between the European Council and the European Parliament. There have been vocal opponents to the NGT Proposal in Europe, including within the European Council and the European Parliament, and such legislation may not be adopted in its current form or at all. Further, even if ultimately adopted in the EU, the final form of such legislation may have features that are not advantageous to or may even be detrimental to Cibus. For example, the NGT Proposal, as adopted by the European Parliament, proposes to ban all patents on NGT plants, plant parts or material, the genetic information that they may contain, and processes to obtain such plants, which ban could potentially have a retroactive effect. If the NGT Proposal is adopted by the EU member states without further changes, this proposed patent ban could be readily implemented through amendments to existing regulations. If a ban on patents for NGT plants, their genetic information, or the processes to obtain NGT plants were to go into effect in the EU, this could have an adverse impact on the Company' s ability to sufficiently protect its patent portfolio and its proprietary intellectual property, which is essential to the Company' s business and operations. Additional amendments may be adopted during the negotiations between the European Council and the European Parliament that could have a material adverse impact on the Company' s business and which could make the EU an unattractive market for the Company' s products. Moreover, even if favorable regulatory changes are adopted in a jurisdiction, such changes may require a substantial amount of time to be fully implemented. Although there cannot be any guarantee that any regulatory changes will be adopted in the EU, Cibus' management has given effect to the adoption and timely implementation of a favorable regulatory framework in estimating accessible acres and other forward- looking forecasts. In the event that favorable regulatory developments in the EU are not adopted or timely implemented, Cibus' estimates and forecasts may require substantial revisions, which could have a material adverse effect on the Company' s operations or financial results . Further, even if the legal and regulatory regime in jurisdictions that currently have a restrictive regulatory framework, such as the EU, are relaxed, there can be no assurance that Cibus' licensed productivity traits will be accepted by consumers and other market participants in such jurisdictions. The regulatory environment varies greatly from region- to- region and in many countries is less developed than in the United States and the European Union. Outside of the United States and the EU, the regulatory environment around gene editing in plants and microorganisms is uncertain and varies greatly from jurisdiction- to- jurisdiction. Each jurisdiction may have its own regulatory framework regarding GMOs, which may include restrictions and regulations on planting and growing genetically modified plants and in the consumption and labeling of genetically modified foods, which may encapsulate products containing Cibus licensed intellectual property. Although there has generally been a positive regulatory trend toward the acceptance of non- transgenic gene editing technologies, Cibus cannot predict how the global regulatory landscape regarding gene editing in plants will evolve, and Cibus may incur increased regulatory costs as regulations change in the jurisdictions in which it operates. Products containing Cibus' productivity traits may be subject to enhanced regulation. Some products containing Cibus' productivity traits may be subject to FDA food product regulations or EPA environmental impact- 31- regulations. Under the FDA, any substance that is reasonably expected to become a food or animal feed component or additive is subject to FDA premarket review and approval, unless generally recognized among qualified experts as having been adequately shown to be GRAS or the use of the substance is otherwise excluded from the " food additive " definition. The FDA may classify some or all of Cibus' productivity traits as containing a food additive that is not GRAS or otherwise determine that further review is required. Such classification would cause these productivity traits to require premarket approval, which could ~~be harmed. Further, if~~ delay a licensee customer' s commercialization of products containing these ~~licensee customers fail to market~~ productivity traits. The FDA' s thinking on the ~~licensed~~ use of genome editing techniques to produce new plant varieties that are ~~seed -~~ used ~~-~~ for human or animal food continues to evolve, and in January 2017, the FDA announced an RFC seeking public input to help inform its thinking about human and animal foods derived from new plant varieties produced using genome editing techniques. If the FDA enacts new regulations or policies with respect to gene edited plants, such policies could result in additional compliance costs and / or delay the commercialization of any products containing Cibus' productivity trait ~~products or products developed with the Company' s licensed technology at prices that will achieve or sustain market acceptance for those products, its future royalty revenues could be further harmed. If a product is commercialized by a licensee, its performance may also be impact by numerous risks, including competition from alternative products, product defects, changes in end- consumer demand, changes in law or regulation, or changes in economic conditions. Moreover, licensees have significant discretion in determining the efforts and resources applied to commercializing products utilizing the plant- based chemistries developed by the Company, and they may not commit sufficient resources to successfully advance a product candidate~~ candidates ~~or achieve commercial success. Disputes may arise with licensees that cause the delay or termination of commercial contracts for current or future products or that results in costly litigation or arbitration that diverts management attention and resources. Any outdoor agriculture product development agreements that the Company may enter in the future may be delayed or may be unsuccessful~~ , which could adversely affect Cibus' profitability. Similarly, in some instances, products containing Cibus' productivity traits may be subject to EPA environmental impact regulations. In each case, such classification could substantially increase the time and costs associated with required regulatory activities of Cibus and its customers. If the regulatory burden and expense required becomes too significant, Cibus' customers may seek alternatives that involve lesser regulatory costs. Cibus uses hazardous chemicals and biological materials in its business. Compliance with environmental, health, and safety laws and regulations, and any claims relating to improper handling, storage, or disposal of these materials could be time consuming and costly. Cibus ~~its -~~ is ~~financial~~ subject to federal, state, local, and foreign environmental, health, and safety laws and regulations, including those governing laboratory procedures, the handling, use, storage, treatment, manufacture, and disposal of hazardous materials and wastes discharge of pollutants into the environment, and human health and safety matters. Cibus' R & D processes may involve the controlled use of hazardous materials, including chemicals and biological materials. Cibus cannot eliminate the risk of contamination or discharge and any resultant injury from these materials. Cibus may be sued for any injury or contamination that results from its use or the use by ~~. The Company' s strategy permits opportunistically entering into product development arrangements with~~ third parties of these materials, ~~for -~~ or may otherwise be required to remediate such contamination ~~the development and commercialization of certain outdoor agriculture seed traits. For example~~ , ~~in 2021, the Company announced~~ and Cibus' liability with respect to such claims may exceed any insurance coverage that it ~~had entered into a~~ maintains or the value of its total assets. Compliance with environmental, health, and safety laws and regulations is time consuming and expensive. If Cibus fails to comply with these requirements, it could incur substantial costs and liabilities, including civil or criminal fines and penalties, clean- up costs, or capital expenditures for control equipment or operational changes necessary to achieve and maintain compliance. In addition, Cibus cannot predict the impact on its business of new or amended environmental, health, and safety laws or regulations or any changes in the way existing and future laws and regulations are interpreted and enforced. These current or future laws and regulations may impair Cibus' research ~~collaboration~~ , development, or production efforts. Cibus is subject to governmental export and import controls that could impair its ability to compete in international markets due to licensing requirements and subject Cibus to liability if it is not in compliance with ~~a global food~~ applicable laws. Cibus' productivity trait and sustainable ingredient candidates are subject ~~manufacturer based in Asia~~ to ~~develop~~ export control ~~an~~ and import laws ~~improved soybean capable of producing an~~ and ~~oil~~ regulations, including the United States Export Administration Regulations, United States Customs regulations, and various economic and trade sanction regulations administered by the United States Treasury Department' s Office of Foreign Assets Controls. Exports of Cibus' technologies must be made in compliance with these laws and regulations. If Cibus fails to comply with these laws and regulations, Cibus and certain of its employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on Cibus and the responsible employees or managers; and, in extreme cases, the incarceration of the responsible employees or managers. In addition, changes in Cibus' technologies or changes in applicable export or import laws and regulations may create delays in the introduction and sale of products containing Cibus' technologies in international markets, prevent Cibus' customers from deploying their products or, in some cases, prevent the export or import of Cibus' technologies to certain countries, governments, or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons, or technologies targeted by such laws and regulations, could also result in decreased use of Cibus' technologies, or in its decreased ability to export or sell its products to existing or potential customers. Any decreased use of Cibus' technologies or limitation on Cibus' ability to export or sell such technologies would likely adversely affect its business, results of operations, and financial condition. Risks Related to Intellectual Property Cibus' ability to compete may decline if it does not adequately protect its intellectual property proprietary rights. Cibus' commercial success depends, in part, on obtaining and maintaining proprietary rights to its and its licensors' intellectual property as ~~a commercial alternative to palm oil~~ well as successfully defending these rights against third party challenges . ~~To~~ Cibus will only be able to protect against unauthorized use of its intellectual property by third parties to the extent ~~the Company enters into~~ that valid and enforceable patents, or effectively protected trade secrets, cover it. ~~such~~ Such protection ~~product development agreements~~ , ~~their success~~ where available, will ~~depend heavily on~~ be inherently limited by the limited lifespan ~~efforts and activities~~ of ~~its customer~~ patent protections, which varies by country (with protection in the United States generally available for 20 years after the first effective filing date, subject to the availability of certain- 32- extensions). Cibus ' ~~s commercialization efforts and as a result its~~ ability to ~~achieve milestone payments~~ obtain patent protection ~~or~~ for ~~generate royalties will not be within~~ its productivity trait or sustainable ingredient ~~direct control. If an outdoor agriculture product~~ products , processes, and technologies is ~~commercialized by~~ uncertain due to a number of factors ~~licensee, its performance may also be impacted by numerous risks~~ , including: • ~~Adverse weather conditions, natural disasters, crop disease, pests and~~ Cibus or its licensors may not have been the first to invent the technology covered by Cibus' or ~~other~~ - their ~~natural conditions~~ pending patent applications or issued patents ; • ~~Climate change~~ Cibus cannot be certain that ~~may cause changes in weather patterns and conditions~~ it or its licensors were the first to file patent applications covering Cibus' productivity trait or sustainable ingredient product , processes. or technologies ~~including changes in rainfall and storm patterns and intensities~~ , as patent applications in the United States and most other countries are confidential for a period of time ~~water~~ - after filing ~~shortages, changes in sea levels, and changes in temperature levels~~ ; • others ~~Licensee field trials~~ may ~~be unsuccessful~~ independently develop identical, similar, or alternative productivity trait or sustainable ingredient product, processes, and technologies ; • ~~Licensee~~ the disclosures in Cibus' or its licensors' patent applications may not be sufficient to meet the statutory requirements for patentability; • any or all of Cibus' or its licensors' pending patent applications may not result in issued patents; • Cibus or its licensors may not seek or obtain patent protection in countries or jurisdictions that may eventually provide Cibus a significant business opportunity; • any patents issued to Cibus or its licensors may not provide a basis for commercially viable products, ~~and food containing those products,~~ may ~~fail to meet standards established~~ not provide any competitive advantages, or may be successfully challenged by third parties, which may result in Cibus' or its licensors' patent claims being narrowed, invalidated, or held unenforceable; • Cibus' productivity trait or sustainable ingredient product, processes, and technologies may not be patentable; • others may design around Cibus' or its licensors' patent claims to produce competitive productivity trait or sustainable ingredient product, processes, and technologies that fall outside of the scope of Cibus' or its licensors' patents; and • others may identify prior art or other bases upon which to challenge and ultimately invalidate Cibus' or its licensors' patents or otherwise render them unenforceable. Even if Cibus owns, obtains, or in - ~~party non- GMO verification organizations;~~ licenses patents covering its productivity trait or sustainable ingredient product, processes, and ~~• The unintended presence~~ technologies, Cibus may still be barred from making, using, and selling its productivity trait or sustainable ingredient product, processes, and technologies because of the ~~Company' s~~ patent rights or intellectual property rights of others. Others may have filed, and in the future may file, patent applications covering productivity traits or sustainable ingredient products, processes, or technologies that are similar or identical to Cibus', which could materially affect Cibus' ability to successfully develop and commercialize its productivity trait or sustainable ingredient product. In addition, because patent applications can take many years to issue, there may be currently pending applications unknown to Cibus that may later result in issued patents that Cibus' productivity traits or sustainable ingredient products, processes, or technologies may infringe. These patent applications may have priority over patent applications filed by Cibus or its licensors. Obtaining and maintaining a patent portfolio entails significant expense of resources. Part of such expense includes periodic maintenance fees, renewal fees, annuity fees, and various other ~~products~~

governmental fees on patents and / or applications due over the course of several stages of prosecuting patent applications, and over the lifetime of maintaining and enforcing issued patents. Cibus or its licensors may or may not choose to pursue or maintain protection ~~or~~ **for** ~~plants~~ **particular intellectual property in Cibus' or its licensors' portfolio. If Cibus or its licensors choose to forgo patent protection or to allow a patent application or patent to lapse purposefully or inadvertently, Cibus' competitive position could suffer. Furthermore, Cibus and its licensors employ reputable law firms and other professionals to help comply with the various procedural, documentary, fee payment, and other similar provisions Cibus and they are subject to and, in** ~~may~~ **many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which failure to make certain payments or noncompliance with certain requirements in the patent prosecution and maintenance process can result in abandonment or lapse of a patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, Cibus' competitors might be able to enter the market, which would** have a ~~negative~~ **material adverse** effect on **Cibus' business. Legal action that may be required to enforce Cibus' patent rights can be expensive and may involve the diversion of significant management time. In addition, these legal actions could be unsuccessful and could also result in the invalidation of Cibus' or its licensors' patents or a finding that** ~~the~~ **they are unenforceable. Cibus or its licensors may or may not choose to pursue litigation or other actions against those that have infringed on Cibus' or their patents, or have used them without authorization, due to the associated expense and time commitment of monitoring these activities. In some cases, the enforcement and defense of patents Cibus in-** ~~licensee~~ **licenses is controlled by the applicable licensor. If such licensor fails to actively enforce and defend such patents, any competitive advantage afforded by such patents could be materially impaired. In addition, some of Cibus' competitors may be able to sustain the costs of such litigation or proceedings more effectively than Cibus or its licensors can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite Cibus' efforts, Cibus may not be able to prevent third parties from- 33- infringing upon or misappropriating or from successfully challenging Cibus' intellectual property rights. If Cibus fails to protect or to enforce its intellectual property rights successfully, its competitive position could suffer, which could harm its results of operations. In addition to patent protection, because Cibus operates in the highly technical field of biotechnology, Cibus relies in part on trade secret protection in order to protect its proprietary technology and processes. However, trade secrets are difficult to protect. Monitoring unauthorized uses and disclosures is difficult, and Cibus does not know whether the steps it has taken to protect its proprietary technologies will be effective. Cibus cannot guarantee that its trade secrets and other proprietary and confidential information will not be disclosed or that competitors will not otherwise gain access to Cibus' trade secrets. Despite these efforts, any of these parties may breach the agreements and disclose Cibus' proprietary information, including its trade secrets, and Cibus may not be able to obtain adequate remedies for such breaches. Cibus enters into confidentiality and intellectual property assignment agreements with its employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by Cibus during the course of the party** ' s ~~operations~~ **relationship with Cibus** . ~~Risks Related~~ **These agreements also generally provide that inventions conceived by the party in the course of rendering services** to **Cibus will be Cibus' exclusive property. However, these agreements may be breached or held unenforceable and may not effectively assign** ~~Intellectual~~ **intellectual** ~~Property~~ **property rights to Cibus. In addition to contractual measures, Cibus tries to protect the confidential nature of its proprietary information using physical and technological security measures. Such measures may not provide adequate protection for Cibus' proprietary information. For example, Cibus' security measures may not prevent an employee or consultant with authorized access from misappropriating Cibus' trade secrets and providing them to a competitor, and the recourse Cibus has available against such misconduct may not provide an adequate remedy to protect its interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Furthermore, Cibus' proprietary information may be independently developed by others in a manner that could prevent legal recourse by Cibus. If any of Cibus' confidential or proprietary information, including its trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, Cibus' competitive position could be harmed and its business could be materially and adversely affected.** Patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to **Cibus** ~~the Company~~ , could negatively impact its competitive position. The patent positions of biotechnology companies and other actors in **Cibus** ~~the Company~~ ' ~~s~~ fields of business can be highly uncertain and **typically** involve complex scientific, legal, and factual analyses. ~~The~~ **In particular, the** interpretation and breadth of claims allowed in some patents covering biological compositions may be uncertain and difficult to determine **,** and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The **standards of the United States Patent and Trademark Office (USPTO) and foreign patent offices are sometimes uncertain and could change in the future. Consequently, the** issuance and scope of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated, narrowed, or circumvented. **United States** ~~Challenges to the Company or its licensors'~~ patents and patent applications **may also be subject to interference proceedings, and United States patents may be subject to reexamination proceedings, post- grant review, inter parties review, or other administrative proceedings in the USPTO. Foreign patents as well may be subject to opposition or comparable proceedings in corresponding foreign patent offices. Challenges to Cibus' or its licensors' patents and patent applications** , if successful, may result in the denial of ~~it~~ **Cibus'** or its licensors' patent applications or the loss or reduction in their scope. In addition, ~~defending against~~ such ~~challenges~~ **interference, reexamination, post- grant review, inter parties review, opposition proceedings, and other**

administrative proceedings may be costly and involve the diversion of significant management time. Accordingly, rights under any of ~~the Company~~ **Cibus'** or its licensors' patents may not provide ~~it~~ **Cibus** with ~~enough~~ **sufficient** protection against competitive products or processes and any loss, denial, or reduction in scope of any of such patents and patent applications may have a material adverse effect on ~~its~~ **Cibus'** business. **Furthermore,** ~~Even~~ **even** if not challenged, ~~the Company~~ **Cibus'** or its licensors' patents and patent applications may not adequately protect its **productivity traits or sustainable ingredient** ~~product~~ **products** ~~candidates~~ **, processes,** or ~~technology~~ **technologies** or prevent others from designing their products or technology to avoid being covered by ~~the Company~~ **Cibus'** or its licensors' patent claims. If the breadth or strength of protection provided by the patents **Cibus** ~~the Company~~ owns or licenses **with respect to its productivity traits or sustainable ingredient products, processes, or technologies** is threatened, it could dissuade companies from partnering with ~~it~~ **Cibus** to develop, and could threaten ~~the~~ **its** ability to successfully commercialize, **its** ~~the Company' s product~~ **products and productivity trait or sustainable ingredient** candidates. **Furthermore, for United States patent applications in which claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO in order to determine who was the first to invent any of the subject matter covered by such patent claims. In addition, changes in, or different interpretations of, patent laws in the United States and other countries may permit others to use Cibus' discoveries or to develop and commercialize Cibus' technologies and products without providing any notice or compensation to Cibus, or may limit the scope of patent protection that Cibus or its licensors are able to obtain. The laws of some countries do not protect intellectual property rights to the same extent as United States laws and those countries may lack adequate rules and procedures for defending Cibus' intellectual property rights.** If **Cibus** ~~the Company~~ or its licensors fail to obtain and maintain patent protection and trade secret protection of ~~its~~ **Cibus' productivity trait or sustainable ingredient** product ~~candidates~~ **, processes,** and ~~technology~~ **technologies** , ~~it~~ **Cibus** could lose **its** competitive advantage and competition **it** ~~the Company~~ faces would increase, **potentially** reducing ~~any potential~~ revenues and ~~have~~ **having** a material adverse effect on its business. ~~18 The Company~~ **- 34- Cibus** will not seek to protect its intellectual property rights in all jurisdictions throughout the world and ~~it~~ **Cibus** may not be able to adequately enforce its intellectual property rights even in the jurisdictions where ~~it~~ **Cibus** seeks protection. Filing, prosecuting, and defending patents **on Cibus' productivity trait or sustainable ingredient product, processes, and technologies** in all countries and jurisdictions throughout the world would be prohibitively expensive ~~. Patent protection must be sought on a country- by- country basis~~ , ~~which is an~~ **and Cibus** ~~expensive and time- consuming process with uncertain outcomes. The Company~~ ' ~~s~~ intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, **Cibus** ~~the Company~~ may not be able to prevent third parties from practicing ~~its~~ **Cibus'** inventions in all countries outside the United States, or from selling or importing products made using ~~its~~ **Cibus'** inventions in and into the United States or other jurisdictions. Competitors may use **Cibus** ~~the Company~~ ' ~~s~~ technologies in jurisdictions where ~~it~~ **Cibus** or its licensors do not pursue and obtain patent protection ~~.~~ **to develop their own products and** ~~Further~~ **further** , ~~competitors~~ may export otherwise infringing products to territories where **Cibus** ~~the Company~~ or its licensors have patent protection, but where the ability to enforce ~~those~~ **Cibus' or its licensors'** patent rights is not as strong as in the United States. These products may compete with **Cibus** ~~the Company~~ ' ~~s~~ products and its intellectual property rights and such rights may not be effective or ~~enough~~ **sufficient** to prevent such competition. ~~In addition, changes in, or different interpretations of, patent laws in the United States and other countries may permit others to use the Company' s discoveries or to develop and commercialize its technology and products without providing any notice or compensation or may limit the scope of patent protection that the Company or its licensors are able to obtain.~~ The laws of some **foreign** countries do not protect intellectual property rights to the same extent as **the laws of the** United States **. Patent protection must be sought on a country- by- country basis, which is an expensive and time consuming process with uncertain outcomes. Accordingly, Cibus and its licensors may choose not to seek patent protection in certain countries, and Cibus will not have the benefit of patent protection in such countries. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biotechnologies, and the requirements for patentability differ, in varying degrees, from country- to- country, and the** laws ~~and those~~ **of some foreign** countries **do not protect** ~~may lack adequate rules and procedures for defending the Company' s~~ intellectual property rights **, including trade secrets, to the same extent as federal and state laws of the United States. As a result, many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. Such issues may make it difficult for Cibus to stop the infringement, misappropriation, or other violation of its intellectual property rights. For example, many foreign countries, including the EU countries, have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. In those countries, Cibus and its licensors may have limited remedies if patents are infringed or if Cibus or its licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit Cibus' potential revenue opportunities. Accordingly, Cibus' and its licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that Cibus owns or licenses. Similarly, if Cibus' trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to Cibus' proprietary information and Cibus may be without satisfactory recourse. Such disclosure could have a material adverse effect on Cibus' business. Moreover, Cibus' ability to protect and enforce its intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws** . Furthermore, proceedings to enforce **Cibus** ~~the Company~~ ' ~~s~~ licensors' and ~~its~~ **Cibus' own** patent rights and other intellectual property rights in foreign jurisdictions could result in substantial costs and divert ~~its~~ **Cibus'** efforts and attention from other aspects of its business, could put ~~the Company~~ **Cibus'** or its licensors' patents at risk of being invalidated or interpreted narrowly, could put ~~it~~ **Cibus'** or its licensors' patent applications at risk of not issuing **,** and could provoke third parties to assert claims against ~~it~~ **Cibus** or its licensors. **Cibus** ~~The Company~~ may not prevail in any lawsuits that **it** initiates ~~,~~ and the damages or other remedies awarded to ~~it~~ **Cibus** , if any, may not be commercially meaningful, while the damages and other remedies **Cibus** ~~the Company~~ may be ordered to pay such third parties may be significant. Accordingly, **Cibus** ~~the Company~~ ' ~~s~~ licensors **'** and ~~its~~ **Cibus' own** efforts to enforce its intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that ~~it~~ **Cibus** develops or licenses. Third parties may assert rights to inventions **Cibus** ~~the Company~~ develops or otherwise regards as its own. Third parties may in the future make claims challenging the inventorship or ownership of ~~the Company~~ **Cibus'** or its licensors' intellectual property. **Cibus** ~~The Company~~ has written agreements with R & D partners that provide for the ownership of intellectual property arising from ~~the relationship~~ **its strategic alliances** . ~~Some~~ **These** agreements provide that **Cibus** ~~the Company~~ must negotiate certain commercial rights ~~at a later date and others~~ **with such partners with respect to joint inventions or inventions made by Cibus' partners that arise from the results of the strategic alliance. In some instances, there** may not ~~include or~~ **be adequate written provisions to address** clearly ~~address~~ the allocation of intellectual property rights **that may arise from the respective alliance** . If **Cibus** ~~the Company~~ cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from **Cibus** ~~the Company~~ ' ~~s~~ use of a third ~~-~~ party partner' s materials **when required** , or if disputes otherwise arise with respect to the intellectual property developed through the use of a partner' s samples, **Cibus** ~~the Company~~ may be limited in its ability to capitalize on the full market potential of these inventions. In addition, **Cibus** ~~the Company~~ may face claims by third parties that its agreements with employees, contractors, or consultants obligating them to assign intellectual property to ~~it~~ **Cibus** are ineffective **,** or are in conflict with prior or competing contractual obligations of assignment **, which could result in ownership disputes regarding intellectual property Cibus has developed or will develop and could interfere with Cibus' ability to capture the full commercial value of such inventions** . Litigation may be necessary to resolve an ownership dispute, and if **Cibus** ~~the Company~~ is not successful, ~~it~~ **Cibus** may be precluded from using certain intellectual property and associated products **, processes,** and ~~technology~~ **technologies** , ~~which~~ **or may lose its rights in that intellectual property. Either outcome** could have a material adverse effect on ~~its~~ **Cibus'** business. ~~In addition, -~~ **35- Cibus may not identify relevant third party patents or may incorrectly interpret** the **relevance, scope, or expiration of a third party patent which might adversely affect Cibus' ability to develop and market its products or productivity trait or sustainable ingredient candidates. Cibus cannot guarantee that any of its patent** ~~research~~ -- **searches** ~~resulting in~~ **or analyses, including but not limited to the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can Cibus be** certain ~~of the Company' s in- licensed~~ **that it has identified each and every third party** patent ~~rights~~ and **pending application** ~~technology was funded~~ in ~~part by~~ the United States ~~government~~ **and abroad that is relevant to or necessary for the commercialization of Cibus' products or productivity trait or sustainable ingredient candidates in any jurisdiction** . ~~As~~ **The scope of** a ~~result~~ **patent claim is determined by an interpretation of the law** , **the written disclosure in a patent and the patent' s prosecution history. Cibus' interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact Cibus' ability to market its products. Cibus may incorrectly determine that its products are not covered by a third party patent or may incorrectly predict whether a third party' s pending application will issue with claims of relevant scope. Cibus' determination of the expiration date of any patent in** the United States **or abroad that Cibus considers relevant may be incorrect** ~~government has certain rights to such patent rights and technology~~ , which **may negatively impact Cibus' ability to** ~~include march- in rights. When new technologies are developed~~ -- **develop** ~~with government funding, the government generally obtains certain rights in any resulting~~ **and market its products or productivity trait or sustainable ingredient candidates. Cibus' failure to identify and correctly interpret relevant** patents **may negatively impact** ~~, including a non- exclusive license authorizing the government to use the invention or to have others use the invention on its behalf. The government can exercise its march- in rights if it~~ **its** ~~determines that action~~ **ability to develop and market** ~~is~~ **its products** ~~necessary because the Company fails to achieve practical application of the government- funded technology,~~ or **productivity trait** ~~because action is necessary to alleviate health~~ or **sustainable ingredient candidates** ~~safety needs, to meet requirements of federal regulations, or to give preference to United States industry. Any exercise by the government of any of the foregoing rights could have a material adverse effect on the Company' s business~~ . Any infringement, misappropriation, or other violation by **Cibus** ~~the Company~~ of intellectual property rights of others may prevent or delay ~~its~~ **Cibus'** product development efforts and may prevent or increase the costs of **Cibus** ~~successful~~ **successfully** ~~commercialization~~ --- **commercializing** ~~by the Company,~~ its ~~customers or its licensees. The Company' s success will depend in part on its ability to operate without infringing, misappropriating, or otherwise violating the intellectual property and proprietary rights of third parties. The Company cannot assure that its business operations,~~ products **or productivity trait or sustainable ingredient** ~~developed, historically developed agriculture- focused product~~ candidates, **if approved** ~~and methods and the business operations, products, product candidates and methods of its customers or licensees do not or will not infringe, misappropriate, or otherwise violate the patents or other intellectual property rights of third parties~~ . The biotechnology industry is characterized by extensive litigation regarding patents and other intellectual property rights. **Cibus' success will depend in part on its ability to operate without infringing, misappropriating, or otherwise violating the intellectual property and proprietary rights of third parties. Cibus cannot assure you that its business operations, productivity trait or sustainable ingredient product and methods and the business operations, or productivity trait or sustainable ingredient product and methods of its partners do not or will not infringe, misappropriate, or otherwise violate the patents or** ~~Other~~ **other intellectual property rights of third parties. Cibus may, from time- to- time, utilize techniques or compounds for which Cibus has determined a license is not required. For example, in some cases, Cibus uses DNA- breaking reagents, such as CRISPR- Cas9, to make site- specific**

cuts in the DNA of a plant cell. In cases where Cibus has determined a license is not required, other parties may allege that the ~~Company' s product development activities, products, product candidates or the~~ use of ~~its technologies~~ **such techniques or compounds** ~~infringe~~ **infringes** , ~~misappropriate~~ **misappropriates** , or otherwise ~~violate~~ **violates** patent claims or other intellectual property rights held by them or that **Cibus is employing their proprietary technology without authorization. In addition, although Cibus tries to ensure that its employees and consultants do not use the proprietary information or know- how of others in their work for Cibus, Cibus may be subject to claims that** it **or its employees, consultants, or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Other parties may allege that Cibus' productivity traits or sustainable ingredient products, processes, or technologies infringe, misappropriate, or otherwise violate patent claims or other intellectual property rights held by them or that Cibus** is employing their proprietary technology without authorization. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Any claim relating to intellectual property infringement that is successfully asserted against **Cibus** ~~the Company~~ may require ~~it~~ **Cibus** to pay substantial damages, including treble damages and attorneys' fees if ~~it~~ **Cibus** or its partners are found to be willfully infringing another party' s patents, for past use of the asserted intellectual property and royalties and other consideration going forward if **Cibus** ~~the Company~~ is forced to take a license. Such a license may not be available on commercially reasonable terms, or at all. Even if **Cibus** ~~the Company~~ was able to obtain a license, it could be non-exclusive, thereby giving ~~its~~ **Cibus'** competitors access to the same intellectual property rights or technologies licensed to **Cibus** ~~the Company~~ . In addition, if any such claim were successfully asserted against **Cibus** ~~the Company~~ and ~~it~~ **Cibus** could not obtain a license, **Cibus** ~~the Company~~ or its partners may be forced to stop or delay developing, manufacturing, selling **,** or otherwise commercializing its ~~products,~~ **productivity trait or sustainable ingredient** product ~~candidates~~ or other infringing technology, or those ~~it~~ **Cibus** develops with its R & D partners. ~~19~~ Even if **Cibus** ~~the Company~~ is successful in these proceedings, ~~it~~ **Cibus** may incur substantial costs and divert management time and attention pursuing these proceedings, which could have a material adverse effect on **Cibus** ~~the organization~~ . Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of **Cibus** ~~the Company~~ ' ~~s~~ confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions **,** or other interim proceedings or developments and if ~~securities analysts or~~ investors perceive these results to be negative, it could have a substantial adverse effect on the ~~price~~ **value** of **Cibus** ~~the Company~~ ' **securities** ~~s common stock~~ . Such litigation or proceedings could substantially increase **Cibus** ~~the Company~~ ' ~~s~~ operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. If **Cibus** ~~the Company~~ is unable to avoid infringing the patent rights of others, ~~it~~ **Cibus** may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court, or redesign its products. Patent litigation is costly and time consuming. **Cibus** ~~The Company~~ may not have ~~enough~~ **sufficient** resources to bring these actions to a successful conclusion **. In addition, intellectual property litigation or claims could force Cibus to do one or more of the following: • cease developing, selling, or otherwise commercializing its products or productivity trait or sustainable ingredient candidates; • pay substantial damages for past use of the asserted intellectual property;- 36- • obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and • in the case of trademark claims, redesign, or rename trademarks Cibus may own, to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time consuming** . Any of these risks coming to fruition could have a material adverse effect on **Cibus** ~~the Company~~ ' ~~s~~ business, results of operations, financial condition, and prospects. **Cibus** ~~The Company~~ may be unsuccessful in ~~developing,~~ licensing ~~,~~ or acquiring intellectual property **from third parties** that may be required to develop and commercialize ~~its~~ **Cibus'** ~~product~~ **products or productivity trait or sustainable ingredient** candidates. ~~The Company~~ **Because Cibus** ' ~~s~~ programs may involve ~~additional product candidates that may require~~ the use of intellectual property or proprietary rights held by third parties ~~;~~ **,** the growth of ~~its~~ **Cibus'** business ~~may~~ **will likely** depend in part on its ability to acquire, in- license **,** or use these intellectual property and proprietary rights. **For example, if Cibus determined to use a technology to perform its gene editing, Cibus may need one or more licenses to use that technology.** However, **Cibus** ~~the Company~~ may be unable to acquire or in- license any third ~~-~~ party intellectual property or proprietary rights ~~that may be key to development~~ . Even if ~~the Company can~~ **Cibus is able to** acquire or in- license such rights, ~~it~~ **Cibus** may be unable to do so on commercially reasonable terms. The licensing and acquisition of third ~~-~~ party intellectual property and proprietary rights is a competitive area, and ~~several~~ **a number of** more established companies are also pursuing strategies to license or acquire third ~~-~~ party intellectual property and proprietary rights that **Cibus** ~~the Company~~ may consider attractive or necessary. These established companies may have a competitive advantage over **Cibus** ~~the Company~~ due to their size, capital resources **,** and agricultural development and commercialization capabilities. ~~In connection~~ **Cibus sometimes partners** with **academic institutions to accelerate** ~~his appointment as chair of the Scientific Advisory Board, Dr. Dan Voytas is~~ **its** ~~no longer~~ **R & D under written agreements with** ~~the~~ **these** ~~Company~~ **institutions. Typically, these institutions provide Cibus with an option to negotiate a license to any of the institution** ' s **rights in technology resulting** ~~Chief Science Officer, a position he held~~ from the **strategic alliance** ~~Company' s founding in January 2010 through February 2021~~ . ~~The consulting agreement~~ **Regardless of such option, Cibus may be unable to negotiate a license** ~~with~~ **within** ~~Dr. Voytas, while he~~ **the specified time frame or under terms that are acceptable** ~~served as Chief Science Officer, and the current engagement letter with Dr. Voytas, as chair of the Scientific Advisory Board, each generally obligates Dr. Voytas~~ to ~~assign to~~ **Cibus, and** ~~the Company any~~ **institution may license such** intellectual property ~~solely or jointly conceived, developed or reduced to practice by him in the course of the performance of his services to the Company. However, the Company does not have any~~ rights ~~, including any assignment or right of first refusal rights,~~ to **third parties** ~~intellectual property conceived~~ , **potentially blocking Cibus' ability to pursue its** ~~developed~~ **development and commercialization plans** ~~, or reduced to practice by Dr. Voytas~~

~~outside the course of the performance of his services to the Company, including in connection with his employment at the University of Minnesota~~. In addition, companies that perceive **Cibus** ~~the Company~~ to be a competitor may be unwilling to assign or license intellectual property and proprietary rights to **Cibus** ~~the Company~~. **Cibus** ~~The Company~~ also may be unable to license or acquire third ~~-~~party intellectual property and proprietary rights on terms that would allow it to make an appropriate return on its investment or at all. If **Cibus** ~~the Company~~ is unable to successfully acquire or in- license rights to required third ~~-~~ party intellectual property and proprietary rights or maintain the existing intellectual property and proprietary rights **Cibus** ~~the Company~~ has, ~~it~~ **Cibus** may have to cease development of the relevant program, product, or ~~product~~ **productivity trait or sustainable ingredient** candidate, which could have a material adverse effect on its business. ~~The Company~~ **If Cibus fails to comply with its obligations in the agreements under which Cibus** licenses ~~a portion of its~~ intellectual property **rights** from ~~Cellectis~~ **third parties or otherwise experience disruptions to its business relationships with its licensors** , **Cibus could lose license rights that are important to its business. Cibus** ~~its~~ - **is a party to a number** ~~largest stockholder, and the University~~ of ~~Minnesota. The Company relies on the~~ intellectual property **license agreements that are important to its business and expects to enter into additional license agreements in the future. Cibus' existing license agreements impose, and Cibus expects that future license agreements will impose, various diligence, royalty, and other obligations on Cibus. If Cibus fails to comply with its obligations under these agreements, or Cibus is subject to a bankruptcy, its licensors may have the right to terminate the license, in which event Cibus would not be able to market products or productivity trait or sustainable ingredient candidates covered by the license. In addition, disputes may arise regarding the payment of the royalties or other considerations due to licensors in connection with Cibus' exploitation of the rights** it licenses from ~~Cellectis and the~~ **them** ~~University of Minnesota~~. ~~If~~ **Licensors may contest the basis of payments Cibus retained and claim that Cibus is obligated to make payments under a broader basis. In addition to the costs of any litigation Cibus may face as a result, any legal action against Cibus could increase** ~~it~~ **its payment** ~~does not comply with~~ obligations under the **respective agreement and require Cibus to pay interest and potentially damages to such licensors. In some cases, patent prosecution of Cibus' licensed technology is controlled solely by the licensor. If such licensor fails to obtain and maintain patent or other protection for the proprietary intellectual property Cibus licenses from such licensor, Cibus could lose its rights to such intellectual property or the exclusivity of such rights, and its competitors could market competing products using such intellectual property. In addition, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of Cibus' business. In that event, Cibus may be required to expend significant time and resources to develop or license replacement technology. If Cibus is unable to do so, Cibus may be unable to develop or commercialize the affected products and productivity trait or sustainable ingredient candidates, which could harm its business significantly. In other cases, Cibus controls the prosecution of patents resulting from licensed technology. In the event Cibus breaches any of its obligations related to such prosecution, Cibus may incur significant liability to its licensing partners. Cibus may also require the cooperation of its licensors to enforce any licensed patent rights, and such cooperation may not be provided. Moreover, Cibus has obligations under these** license agreements, **and any failure to satisfy those obligations could give** ~~it~~ **its licensor** ~~may be subject to damages, which may be significant, and in some cases Cellectis and / or the University of Minnesota may have~~ the right to terminate the **agreement. Termination of a necessary** license agreement ~~. Any termination of the Company~~ **could have a material adverse impact on Cibus** ' ~~s~~ **business.-37- Licensing of intellectual property is of critical importance to Cibus' business and involves complex legal, business, and scientific issues and is complicated by the rapid pace of scientific discovery in its industry. Disputes may arise regarding intellectual property subject to a licensing agreement, including: • the scope of rights granted under the** license agreement **and** ~~with Cellectis or the~~ **other** ~~University~~ **interpretation- related issues; • the basis** of ~~Minnesota~~ **royalties and other consideration due to its licensors; • the extent to which its productivity trait or sustainable ingredient product, technology, and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; • the sublicensing of patent and other rights under its development relationships; • Cibus' diligence obligations under the license agreement and what activities satisfy those diligence obligations; • the ownership of inventions and know- how resulting from the joint creation or use of intellectual property by its licensors and Cibus and its partners; and • the priority of invention of patented technology. If disputes over intellectual property that Cibus has licensed from third parties prevent or impair Cibus' ability to maintain its current licensing arrangements on acceptable terms, Cibus may be unable to successfully develop and commercialize the affected products or productivity trait or sustainable ingredient candidates, which** could have a material adverse effect on its business **. Some of the licenses Cibus may grant to its licensing partners to use Cibus' proprietary genes in certain crops may be exclusive within certain jurisdictions, which could limit Cibus' licensing opportunities. Some of the licenses Cibus may grant its licensing partners to use Cibus' proprietary traits in certain crops may be exclusive within specified jurisdictions, so long as its licensing partners comply with certain diligence requirements. That means that once traits are licensed to a licensing partner in a specified crop or crops, Cibus may be generally prohibited from licensing those traits to any third party. The limitations imposed by such exclusive licenses could prevent Cibus from expanding its business and increasing its product development initiatives with new licensing partners, both of which could adversely affect Cibus' business** and results of operations. **Cibus' results** ~~Moreover, any enforcement~~ of **operations will be affected by the level of royalty payments that Cibus is required to pay to third parties. Cibus is, or may become, party to agreements, including licensing agreements and its Warrant Exchange Agreement (as defined herein), that require Cibus to remit royalty payments and** ~~the~~ **other payments related to its owned or** licensed intellectual property ~~could~~ **. Under its in- license agreements, Cibus may pay up- front fees and milestone payments and** be subject ~~it~~ to ~~challenge by third parties and~~ **future royalties. Cibus cannot precisely predict the amount,** if any ~~such challenge~~ **, of royalties it will owe in the future, and if** ~~is~~ **its** ~~successful~~ **calculations of royalty payments are incorrect** , **Cibus may owe additional royalties** ~~such intellectual property could be narrowed in scope or held to be invalid or~~

~~unenforceable~~ , which could ~~materially impair~~ **negatively affect its results of operations. As its product sales increase, Cibus may, from time- to- time, disagree with its third party collaborators as to the appropriate royalties owed and the resolution of such disputes may be costly and may consume management' s time. Furthermore, Cibus may enter into additional license agreements in the future, which may also include royalty, milestone, and other payments. Risks Related to Cibus' Organization and Operations Cibus' headcount reductions and other cost reduction measures may result in operational and strategic challenges. Management has implemented a strategic reduction in workforce and other cost reduction measures. Headcount reductions, which may result in the loss of institutional knowledge and expertise, may adversely affect operations and yield unintended consequences, such as attrition beyond Cibus' intended reductions and reduced employee morale. Cibus' ability to successfully execute on its strategy depends on retaining key remaining personnel, and unanticipated attrition, which may occur on short notice, could potentially harm Cibus' business and operations. As a result of headcount reductions, Cibus' management may need to divert attention away from day- to- day strategic and operational activities and devote additional time to managing organizational changes. In addition, cost reduction measures may result in additional execution challenges, including in respect of customer acquisition and business development efforts and maintaining productivity among remaining employees. Due to limited resources, including reduced human capital resources following the headcount reductions, Cibus may encounter challenges in effectively expanding its operations, training additional qualified personnel, or otherwise manage its expected development and expansion. Negative publicity associated with cost reduction activities could adversely affect Cibus' relationships with its suppliers, service providers, customers and potential customers, and employees, which could adversely affect its operations and financial condition. Cibus' Royalty Liability may contribute to net losses for Cibus and cause the value for securities of Cibus to fluctuate.- 38- In connection with certain financing transactions by Cibus Global between November 2013 and December 2014, Cibus Global issued to each investor in these financings Cibus Warrants to purchase certain preferred units of Cibus Global. Subsequently, certain of the investors exchanged their Cibus Warrants with Cibus Global for future royalty payments equal to a portion of Cibus' aggregate amount of certain worldwide cash revenues received during the applicable quarter. Cibus refers to these future royalty payment obligations as its " Royalty Liability " as more fully described under " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Financial Operations Overview — Royalty Liability Interest Expense- Related Parties. " Certain directors and officers of Cibus are beneficiaries of the Royalty Liability. The financial interest of such directors and officers under the Royalty Liability may create real or perceived conflicts of interest between stockholders' interests and those of such affiliates. In addition, once the Company generates sufficient revenue to trigger royalty payments under the Royalty Liability, the satisfaction of such payment obligations and the interest expense related thereto may adversely affect the cash flow available for Cibus' operations, particularly in connection with the initial payment of aggregated, but unpaid, royalty payment amounts. Further, even prior to the Company having payment obligations in respect of the Royalty Liability, fluctuations in the liability balance of the Royalty Liability due to changes in Cibus' business model and anticipated Subject Revenues (as defined below) from productivity trait or sustainable ingredient candidates in development could cause the value of Cibus' securities to fluctuate, which may limit or prevent investors from readily selling their Class A Common Stock at a favorable price, or at all, and may otherwise negatively affect the liquidity of the Class A Common Stock. Cibus depends on key management personnel and attracting and retaining other qualified personnel, and its business could be harmed if Cibus loses key management personnel or cannot attract and retain other qualified personnel. Cibus' success depends to a significant degree upon the technical skills and continued service of certain members of its management team, particularly Rory Riggs, Peter Beetham, Noel Sauer, and Greg Gocal. The loss of the services of** any **of** ~~competitive advantage afforded to the~~ **these** ~~Company by~~ **key executive officers could have a material adverse effect on Cibus. Cibus does not maintain " key person " insurance policies on the lives of any of its employees. Cibus' success will also depend upon its ability to attract and retain additional qualified management, regulatory, technical, and licensing executives, and personnel. The failure to attract, integrate, motivate, and retain additional skilled and qualified personnel could have a material adverse effect on Cibus' business. Cibus competes for** such ~~intellectual property~~ **personnel against numerous companies, including larger, more established companies with significantly greater financial resources than Cibus possesses. In addition, failure to succeed in Cibus' productivity trait or sustainable ingredient candidates' development may make it more challenging to recruit and retain qualified personnel** . There can be no assurance that **Cibus** ~~Cellectis or the University of Minnesota~~ will ~~prosecute and maintain~~ **be successful in attracting or retaining** such **personnel and** ~~intellectual property in~~ the ~~best interests of the Company' s~~ **failure to do so could have a material adverse effect on its** business ~~or at all~~ , ~~and, if Cellectis or the University of Minnesota fails to properly prosecute and maintain such intellectual property, the Company could lose rights to such intellectual property, which would materially impair any competitive advantage afforded to it by such intellectual property. For more information regarding the Company' s license agreement with Cellectis or the license agreement between Cellectis and the University of Minnesota, please see " Business — Intellectual Property. " Risks Related to Regulatory and Legal Matters Ethical, legal, and social concerns about products using genetically modified or edited plant cells could limit or prevent the use of the Company' s products and technologies and could harm its business. The Company' s technologies and products involve the use of genetically modified or edited plant cells. Public perception about the safety of, and ethical, legal, or social concerns over, genetically engineered products, including genetically modified or edited plant genetic materials, could affect public acceptance of the Company' s products. If the Company is not able to overcome any such concerns relating to its products, these technologies may not be accepted by its customers or end- users of the customers' products that incorporate the Company' s products. In addition, the use of genetically modified or edited plant cells has in the past received negative publicity, which could lead to greater regulation or restrictions on imports of the Company' s products. If the Company' s~~

~~technologies and products are not accepted by its customers or their end- users due to negative publicity or lack of public acceptance, the Company' s business could be materially harmed. 20 The Company may become subject to increasing regulation as a result~~ **results** of **operations** ~~its hemp development activities~~ , ~~which could require it to incur additional costs associated with compliance requirements. The Company has developed hemp product candidates and is currently exploring licensing opportunities in the crop. Hemp is legally distinct from marijuana and recognized as an~~ **and financial condition** ~~agricultural crop by the United States government~~ . **Cibus** ~~Federal and state laws and regulations on hemp address production, monitoring, manufacturing, distribution, and laboratory testing to ensure that that the hemp has a THC concentration of not more than 0. 3 percent on a dry weight basis. Federal laws and regulations may also address the transportation or shipment of hemp or hemp products. It is difficult to predict whether regulators, such as the USDA or the MDA, will alter the manner in which they interpret existing federal and state laws and regulations on hemp or institute new regulations, or otherwise modify regulations in a way that will render compliance more burdensome. As the Company continues to pursue hemp as a product candidate, it may become subject to increasing regulation particular to hemp, which could require it to incur additional costs associated with compliance requirements. The regulatory environment outside the United States varies greatly from jurisdiction to jurisdiction and there is less certainty how the Company~~ ' **internal computer systems** ~~s products will be regulated. The regulatory environment around gene editing and genetic modification in plants is greatly uncertain outside of the United States and varies greatly from jurisdiction to jurisdiction. Each jurisdiction may have its own regulatory framework regarding genetically modified and gene edited products and materials~~ , ~~which continue to evolve, and which may encapsulate the Company' s products. To the extent regulatory frameworks outside of the United States are not receptive to the Company' s genetic modification and gene editing technologies, this may limit its ability to expand into other global markets. Complying with the regulatory requirements outside the United States will be costly and time- consuming, and there is no guarantee the Company will be able to commercialize its products outside the United States. Such regulatory requirements may also inhibit the Company' s ability to market and sell its products to customers located outside of the United States. The Company cannot predict whether or when any jurisdiction will change its regulations with respect to its products. Advocacy groups have engaged in publicity campaigns and filed lawsuits in various countries against companies and regulatory authorities, seeking to halt regulatory approval or clearance activities or influence public opinion against genetically engineered and / or gene edited products. In addition, governmental reaction to negative publicity concerning the Company' s products could result in greater regulation of genetic research and derivative products or regulatory costs that render its products cost prohibitive. The scale of the industries in which the Company intends as the end markets for~~ - **or those of** ~~its products may make it~~ **its third party contractors** ~~difficult to monitor and control the distribution of the Company' s products. As a result, the Company' s products may be sold inadvertently within jurisdictions where they are not approved for~~ - **or consultants,** ~~distribution. Such sales~~ may **fail** ~~lead to regulatory challenges~~ or **suffer security breaches** ~~lawsuits against the Company~~ , which could result in **a** ~~significant expenses and management attention. The Company may use biological materials~~ - **material disruption** ~~in its business and is subject to numerous environmental, health and safety laws and regulations. Compliance with such laws and regulations and any claims relating to improper handling, storage or disposal~~ of **Cibus' operations. Despite** ~~these~~ -- **the implementation of security measures** ~~materials could be time consuming and costly. The Company is subject to numerous federal~~ , ~~state~~ **Cibus' internal computer systems** , ~~local~~ and ~~foreign environmental, health and safety laws and regulations, including~~ those ~~governing laboratory procedures, the handling, use, storage, treatment, manufacture and disposal~~ of ~~hazardous materials and wastes, discharge of pollutants into the environment and human health and safety matters. The Company' s R & D processes involve the controlled use of hazardous materials, including biological materials. The Company may be sued for any injury or contamination that results from its use or the use by~~ third parties ~~of~~ **on which Cibus relies, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber- attacks or cyber- intrusions over** ~~these~~ -- **the** ~~materials~~ **Internet** , **attachments** ~~or may otherwise be required~~ to ~~remediate~~ **emails, persons inside its organization, or persons with access to systems inside its organization. While Cibus does not believe that it has experienced any** such ~~contamination~~ **material system failure** , **accident, or security breach to date, if such** ~~and~~ **an event were** ~~its liability may exceed any insurance coverage and its total assets. Compliance with environmental, health and safety laws and regulations may be expensive and may impair the Company' s R & D efforts. If the Company fails~~ to ~~comply with these requirements~~ **occur and cause interruptions in its systems** , it could **result in a material disruption of Cibus' operations. For example, the loss of field trial data for Cibus' productivity trait or sustainable ingredient candidates could result in delays in Cibus' commercialization efforts and significantly increase Cibus' costs to recover or reproduce the data. Additionally, there have been reported cases in the industry where productivity trait or sustainable ingredient candidates have been stolen from the field during field trials. To the extent that any disruption or security breach results in a loss of or damage to Cibus' data or applications or other data or applications relating to its technology or productivity trait or sustainable ingredient candidates, or inappropriate disclosure of confidential or proprietary information, Cibus could** incur ~~substantial costs and~~ liabilities, **damage to its reputation, and the further development of its productivity trait or sustainable ingredient candidates could be delayed. See " Item 1. C. Cybersecurity " for additional information related to cybersecurity risks and how Cibus manages such risks. Risks Related to Cibus' Common Stock The market price of the Class A Common Stock has been and could remain volatile, and the market price of the Class A Common Stock may drop. The market price of the Class A Common Stock has experienced, and may continue to experience, volatility in response to various factors. Some factors that may cause the market price of the Class A Common Stock to fluctuate include the Company' s quarterly operating results, its perceived prospects or the perceptions of the market of its pipeline, new products or technologies, changes in securities analysts' recommendations or earnings estimates and the Company' s ability to meet such estimates, changes in general conditions in the economy or the financial markets, capital raising activity, and other developments affecting the Company or its competitors. In**

particular, the trading market for Cibus' Class A Common Stock is influenced by the research and reports that equity research analysts publish about Cibus and its business. The price of the Class A Common Stock could decline if one or more equity research analysts- 39- ceases coverage of the Class A Common Stock, fails to regularly publish reports on Cibus and its Class A Common Stock, or downgrades the Class A Common Stock or issues other unfavorable commentary regarding Cibus or its industry. These and other market and industry factors may cause the market price and demand for the Class A Common Stock to fluctuate substantially, regardless of the Company' s actual operating performance, which may limit or prevent investors from readily selling their Class A Common Stock at a favorable price, or at all, and may otherwise negatively affect the liquidity of the Class A Common Stock. Provisions in the Amended Certificate of Incorporation and Amended Bylaws and provisions under Delaware Law could make an acquisition of Cibus, which may be beneficial to its stockholders, more difficult and may prevent attempts by its stockholders to replace or remove its management. Provisions included in the Amended Certificate of Incorporation and Amended Bylaws may discourage, delay, or prevent a merger, acquisition, or other change in control of Cibus that stockholders may consider favorable, including ~~civil or criminal fines and penalties, clean- up costs or capital expenditures~~ **transactions in which holders of its Class A Common Stock might otherwise receive a premium price** for ~~control equipment~~ **their shares. These provisions could also limit the price that investors might be willing to pay in the future** ~~or~~ **for** ~~operational changes necessary to achieve and maintain compliance~~ **the Class A Common Stock, thereby depressing the market price of the Class A Common Stock** . In addition, **because** the **Cibus Board** ~~Company cannot predict the impact on its business of new or amended environmental, health and safety laws or regulations or any changes in the way existing and future laws and regulations are interpreted and enforced. These current or future laws and regulations may impair the Company' s research, development or production efforts or result in increased expense of compliance. The regulatory environment in the United States~~ is ~~uncertain and evolving and may impact our customers' willingness to utilize the Company' s products. The Company anticipates that its customers will be~~ responsible for **appointing the members of the Cibus management team, these provisions may frustrate or prevent** any **attempts by Cibus** ~~regulatory activities associated with development of compounds commissioned from the Company. Such regulatory activities may involve significant expense and changes in applicable regulatory requirements could result in substantial increases in the time and costs associated with such activities. It is difficult for the Company and its customers to predict whether regulators, such as the USDA or FDA, will alter the manner in which they interpret existing laws and regulations or institute new regulations, or otherwise modify regulations in a way that will subject products utilizing the Company~~ ' ~~s synthetic biology products to more burdensome standards, thereby substantially increasing the time and costs associated with the regulatory activities of its customers. If the regulatory burden and expense required for the utilization of the Company' s products becomes too significant, its customers may seek alternatives that involve lesser regulatory costs. 21 If the Company is sued for defective products and if such lawsuits were determined adversely, it could be subject to substantial damages, for which insurance coverage is not available. The Company expects that some applications of its products will be used as components of customers' end products and therefore its success will be tied, in part, to the success of such end products. The Company cannot be certain that material performance problems, defects, errors or delays will not arise in its products or the end products in which they are used as components. The Company expects to provide warranties that its products will meet customer specifications. The costs incurred in correcting any failures to meet such specifications may be substantial and could adversely affect the Company' s business. If the Company' s products or the end products of which they are components, contain defects or are delayed, it may experience: • a failure to achieve commercial traction with the Company' s target customers; • loss of customer contracts or delays in fulfilling the Company' s contractual obligations; • damage to the Company' s brand reputation; • product recalls or replacements; • inability to attract new customers and collaboration opportunities; • diversion of resources from the Company' s R & D and sales activities; and • Legal and regulatory claims against the Company, including product liability claims, which could be costly, time consuming to defend, result in substantial damages and result in reputational damage. Risks Related to Ownership of the Company' s Common Stock and its Relationship with Cellectis Although Cellectis and its affiliates hold less than a majority of the Company' s outstanding common stock, Cellectis possesses certain rights that prevent other~~ stockholders ~~from influencing significant decisions. As of March 1, 2023, Cellectis holds 48. 5 % of the outstanding Common Stock of the Company. At present, through its stock ownership, together with its enumerated rights under the stockholders agreement, Cellectis remains Calyxt' s controlling stockholder. Pursuant~~ to **replace** ~~the stockholders' agreement between the Company and Cellectis, Cellectis continues to retain substantial rights with respect to the Company for~~ - **or remove** ~~so long as it~~ **its current** ~~beneficially owns at least 15 percent of the outstanding shares of the Company' s common stock (Continuing Cellectis Rights). Accordingly, Cellectis will continue to exercise control with respect to the Continuing Cellectis Rights even after Cellectis' stock ownership is substantially reduced, whether through dilution or otherwise, and, while Cellectis' stock ownership serves as a source of voting power, the full scope of Cellectis' continuing rights relative to the Company is not directly proportional to its ownership interest in Calyxt' s common stock. The Continuing Cellectis Rights include the right to nominate a number of designees for the Company' s board of directors representing a majority of the directors, to designate the Chairman of the board of directors, and to have at least one designated director serve on each board committee. In addition, the Continuing Cellectis Rights include information rights for Cellectis, as well as approval rights over a significant number of key aspects of the Company' s operations and~~ management **by** ~~, including certain changes to Calyxt' s constitutive documents, the~~ making ~~of any regular or special dividends, the commencement of any voluntary bankruptcy proceeding or any consent to any bankruptcy proceeding, any appointment to or removal from the board of directors, and the consummation of any public or private offering, merger, amalgamation or consolidation of Calyxt, the spinoff of a business of the Company, or any sale, conveyance, transfer or other disposition of Calyxt' s assets. The Continuing Cellectis Rights are incorporated into, and form a part of, the Company' s certificate of incorporation and bylaws, which makes any amendment, repeal, or modification of such rights burdensome. As of the date on~~

~~which Cellectis and its affiliates no longer beneficially owned more than 50 percent of the outstanding shares of Common Stock of the Company: • the Company' s Board of Directors switched to a staggered board divided into three classes, with directors serving three- year terms; • no director may be removed by the stockholders except for cause upon a majority vote of the stockholders; • stockholder action may only be taken upon a majority vote of stockholders at a duly noticed stockholder meeting called in accordance with the Company' s bylaws and may not be taken by written consent without a meeting; • special stockholder meetings may be called only by a majority of the entire board of directors and not by the stockholders; • the Company became governed by Section 203 of the Delaware General Corporation Law, which, subject to certain exceptions, prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an " interested stockholder " (defined generally as any person who beneficially owns 15 percent or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless certain conditions are satisfied; and 22 • except as otherwise permitted by applicable law, specified provisions of the Company' s Certificate of Incorporation and Bylaws, including those described in this risk factor, may not be repealed, amended, or modified unless such action is approved by a super- majority (66 2 / 3 percent) stockholder vote of all outstanding voting securities. In addition, certain provisions of the Company' s certificate of incorporation, bylaws, and other agreements may now make~~ it more difficult for ~~the Company' s~~ stockholders to **replace members** ~~influence its decisions or for a third- party to acquire control~~ of ~~the Company, or may discourage a third- party from attempting to acquire control of the Company, in each case, even if these~~ -- **the Cibus Board. Among** ~~actions were considered beneficial by many stockholders or might involve transactions in which the Company' s stockholders might otherwise receive a premium for their~~ - **other things** ~~shares of the Company' s common stock. Further~~ , these provisions **: • allow the authorized number of Cibus' directors to be changed only by resolution of the Cibus Board; • establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and for nominations to the Cibus Board; • limit who may call stockholder meetings; • prohibit actions by Cibus' stockholders by written consent; • require that stockholder actions be effected at a duly called stockholders meeting; and • authorize the Cibus Board to issue preferred stock without stockholder approval, which** could ~~limit the price~~ **be used to institute a " poison pill "** that **would work** ~~investors might be willing~~ to **dilute** ~~pay in~~ the ~~future for shares of the Company' s common~~ stock **ownership** ~~, possibly depressing the market price~~ of ~~its common stock. As~~ a ~~result~~ **potential hostile acquirer** , **effectively** ~~stockholders may be limited in their ability to obtain a premium for their shares. As a result of the foregoing rights, Cellectis currently possesses the right to exert extensive influence over important operational decisions of the Company. The extent of Cellectis' influence and the nature of its rights could prevent~~ **preventing acquisitions** ~~other stockholders from influencing, or seeking to influence, significant decisions of the Company. Although the Company is no longer considered to be a " controlled company " under the Nasdaq' s corporate governance rules, the Company is able to phase- in full compliance with applicable independence requirements. A " controlled company " pursuant to the Nasdaq' s corporate governance rules is a company of which more than 50 % of the voting power is held by an individual, group, or another company. Because Cellectis no longer holds more than 50 % of the voting power of the Company, the Company is no longer considered to be a " controlled company. " Pursuant to the controlled company exceptions, the Company' s Nominating and Corporate Governance Committee and its Compensation Committee are not currently comprised solely of independent directors. The Company intends, subject to applicable phase- in requirements, to fully comply with the Nasdaq' s corporate governance rules. As a result of the applicable phase- in requirements, until the Nominating and Corporate Governance Committee and its Compensation Committee become fully independent, stockholders will continue to not have the same protections afforded to stockholders of companies~~ that have **not been approved by** ~~fully independent committees. If~~ the ~~Company~~ **Cibus Board. Moreover, because Cibus** is ~~unable to maintain compliance~~ **incorporated in Delaware, it is governed by the provisions of Section 203 of the DGCL which prohibits a person who owns 15 percent or more of Cibus' outstanding voting stock from merging or combining** with ~~Nasdaq~~ **Cibus for a period of three years after the date of the transaction in which the person acquired 15 percent or more of Cibus** ' **outstanding voting** ~~s listing requirements, its common~~ stock **, unless the merger or combination is approved in a manner prescribed by the statute. Cibus** may ~~be delisted from The Nasdaq Capital Market~~ **issue shares of preferred stock in the future** , which ~~could have a material adverse effect on the Company' s financial condition and~~ could make it ~~more~~ difficult for **another** ~~holders of the Company~~ **company** ~~' s common stock~~ to **acquire Cibus or could** ~~sell their shares. On October 4, 2022, the Company' s application to list its common stock on The Nasdaq Capital Market (Nasdaq) was approved by Nasdaq. The Company' s common stock was previously listed on The Nasdaq Global Market. The Company is therefore subject to the continued listing requirements of The Nasdaq Capital Market, including requirements with respect to the market value of publicly held shares, market value of listed shares, minimum bid price per share, and minimum stockholder' s equity, among others~~ **otherwise** ~~, and requirements relating to board and committee independence. If the Company fails to satisfy one or more of these continued listing requirements, it may be delisted from The Nasdaq Capital Market. Delisting from Nasdaq, or the possibility of such delisting, may~~ adversely affect **holders** ~~the Company' s ability to raise additional financing through the public or private sale~~ of **its Class A** ~~equity securities, may significantly affect the ability of investors to trade the Company' s securities, and may negatively affect the value and liquidity of the Company' s common~~ **Common Stock, which could depress the price of the Class A Common Stock. The Amended Certificate of Incorporation authorizes Cibus to issue one or more series of preferred** stock. ~~Delisting, or~~ **The Cibus Board has** the ~~possibility~~ **authority to determine the preferences, limitations, and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation** of such ~~delisting~~ **series** , ~~also~~ **without any further vote or action by its stockholders. Cibus' preferred stock** could ~~have~~ **be issued with voting, liquidation, dividend, and** other **rights superior to** ~~negative results, including~~ the **rights of the Class A Common Stock. The** potential ~~loss~~ **issuance** of **preferred** ~~investor confidence or interest in business development opportunities. At the Company' s 2022 annual meeting of stockholders on June 1, 2022, the Company' s~~

~~stockholders approved an amendment to the Company' s amended and restated certificate of incorporation to effect a reverse~~ stock ~~split~~ **may delay or prevent a change in control** of **Cibus, discourage bids for** the **Class A** ~~Company' s shares of common~~ **Common** ~~stock~~ **Stock** at a **premium** ~~ratio not less than 2-~~ to ~~- 1 and not greater than 10- to- 1, with the exact ratio set within that range at the discretion of the Company' s board of directors. However, there can be no assurance that the reverse stock split, if implemented, will increase~~ the market price **, and materially and adversely affect** ~~of the Company' s common stock in proportion to the reduction in the number of shares of the Company' s common stock outstanding before the reverse stock split or result in a permanent increase in~~ the market price **and the voting and other rights of the holders of the Class A Common Stock** . ~~In addition~~ **Cibus' executive officers** , **directors, and principal stockholders have the ability to control or significantly influence all matters submitted to** ~~it~~ **its** ~~is possible that~~ **stockholders for approval. Cibus' executive officers, directors, and principal stockholders, in the aggregate, beneficially own approximately 50. 2 percent of Cibus' outstanding Shares as of December 31, 2023. As a result, if these stockholders were to choose to act together,** ~~the~~ **they** ~~reduced number of issued shares of common stock resulting from a reverse stock split could adversely affect the liquidity of the Company' s common stock. If the Company' s common stock becomes subject to the penny stock rules, it~~ would **be able** ~~become more difficult~~ to **control** ~~trade shares of the Company' s common stock. The SEC has adopted rules that regulate broker- dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $ 5. 00, other than securities registered on certain national securities exchanges~~ or ~~authorized~~ **significantly influence all matters submitted to Cibus' stockholders** for **approval** ~~quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If Calyxt does not retain its listing on Nasdaq and if the price of the Company' s common stock is less than $ 5. 00, the Company' s common stock may be deemed a penny stock. The penny stock rules require a broker- dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker- dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive: (i) the purchaser' s written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for the Company' s common stock, and therefore stockholders may have difficulty selling their shares of the Company' s common stock. 23 The market price of the Company' s common stock has been and could remain volatile, which could adversely affect the market price of its common stock. The market price of the Company' s common stock has experienced, and may continue to experience, volatility in response to various factors, such as: • the proposed Transactions; • the Company' s strategic initiatives and technologies; • fluctuations in the Company' s financial results or outlook or peer companies; • changes in estimates of the Company' s financial results or recommendations by securities analysts; • changes in the Company' s capital structure, such as future issuances of common stock or the incurrence of debt; • announcements by the Company or its competitors of significant contracts, acquisitions or strategic partnerships; • regulatory developments in the United States, and / or other foreign countries; • litigation involving the Company, its general industry or both; • additions or departures of key personnel; • investors' general perception of the Company; and • changes in general economic, industry and market conditions affecting the Company or Cellectis. Furthermore, stock markets have experienced price and volume fluctuations that have affected, and continue to affect, the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market fluctuations~~ , as well as **Cibus' management** ~~general economic, political~~ and ~~market conditions~~ **affairs. For example** , **these persons** ~~such as recessions~~ , **if** ~~interest rate changes and international currency fluctuations, may negatively affect the~~ **they** ~~market price of~~ **choose to act together, would control or significantly influence** the ~~Company' s common stock. Future~~ **election of directors and approval of any merger, consolidation, or** ~~sales~~ - **sale** ~~and issuances~~ of ~~the Company~~ **all or substantially all of Cibus** ' ~~s common stock~~ **assets. This concentration of voting power** could ~~result in additional dilution~~ **delay or prevent an acquisition** of **Cibus on terms that** ~~the~~ **other** ~~percentage ownership of its~~ stockholders ~~and could cause the stock price to decline. From time to time, the Company has sold a substantial number of shares of its common stock, which results in dilution to the Company' s stockholders. In the future, the Company~~ may **desire** ~~sell additional equity securities in one or more transactions at prices and in a manner the Company determines from time- to- time, to finance its business operations and investments. To the extent the Company raises capital by issuing equity securities, its stockholders may experience substantial dilution. If Cellectis sells a substantial number of shares of the Company' s common stock in either the private or public markets, the market price of the Company' s common stock could decrease materially~~ . The **United States net operating loss carryforwards** ~~perception in the public market that these stockholders might sell the Company' s common stock could also depress the market price of its common stock and could impair the Company' s future ability to obtain capital, especially through an~~ **and certain** ~~offering of equity securities. Shares of the Company' s common stock issued or issuable under its equity incentive plans to employees and directors have been registered on Form S- 8 registration statements and may be freely sold in the public market upon issuance. Future sales of common stock by Cellectis or others~~ - **other tax attributes** of **Cibus** ~~the Company' s common stock, or the perception that such sales~~ may **be subject to limitations** ~~occur, could depress the market price of its common stock~~ . As of December 31, ~~2022~~ **2023** , **Cibus** ~~Cellectis owned 49. 1 percent of the Company' s outstanding shares of common stock. Future sales of these shares in the public market will be subject to the volume and other restrictions of Rule 144 under the Securities Act for so long as Cellectis is deemed to be the Company' s affiliate, unless the shares to be sold are registered with the SEC. If Cellectis were to register its shares with the SEC, it could dispose of them at will. The Company is unable to predict with certainty whether or when Cellectis will sell a substantial number of shares of the Company' s common stock. The sale by Cellectis of a substantial number of shares, or a perception that such sales could occur, could significantly reduce the market~~

~~price of the Company' s common stock. Cellectis and the Company' s directors who have relationships with Cellectis may have conflicts of interest with respect to matters involving the company. The Company' s certificate of incorporation provides that none of Cellectis, or any of its officers, directors, agents, shareholders, members, partners, subsidiaries (other than Calyxt and any future subsidiaries) and their affiliates will be liable to the Company or its stockholders for breach of any fiduciary duty by reason of the fact that Cellectis or any such individual directs a corporate opportunity to Cellectis or its affiliates instead of the Company, or does not communicate information regarding a corporate opportunity to the Company that such person or affiliate has directed to Cellectis or its affiliates. 24 The Company' s certificate of incorporation also provides that neither Cellectis nor any of its affiliates or any of the Company' s nonemployee directors will have any duty to refrain from engaging in a corporate opportunity in the same or similar lines of business in which it or any future subsidiaries now engage or propose to engage or otherwise competing with it or any of its future subsidiaries. The Company' s license agreement with Cellectis does not restrict Cellectis from competing with the Company generally. Cellectis could develop and commercialize agricultural and food products that may compete with the Company' s current products or products in its pipeline using Cellectis intellectual property or technologies other than the gene editing technologies Cellectis has licensed to the Company. Cellectis could also use the licensed gene editing technologies to develop and commercialize products involving animals and animal cells and these animal-based products may be competitive with the Company' s plant- based products in certain circumstances. One of the Company' s directors, Laurent Arthaud, is also a director of Cellectis, and Cellectis has the right to designate additional directors to serve on the Calyxt board of directors. Mr. Arthaud and any other directors designated by Cellectis who have relationships with Cellectis will have fiduciary duties to the Company and in addition will have duties to Cellectis. Accordingly, there may be real or apparent conflicts of interest with respect to matters affecting both the Company and Cellectis, whose interests, in some circumstances, may be different than the interests of other stockholders or its interests. The Company' s ability to use its net operating losses to offset future taxable income may be subject to certain limitations. As of December 31, 2022, the Company~~ had approximately $ ~~239~~ **362** . ~~2~~ **5** million of net operating ~~losses~~ -- **loss** ~~, or~~ **carryforwards (** NOLs ~~,~~ **)** for federal and state income tax purposes, which may be available to offset federal income tax liabilities in the future. In addition, **Cibus** ~~the Company~~ may generate **- 40-** additional NOLs in future years. **Cibus** ~~The Company has~~ established a full valuation allowance for its deferred tax assets, including NOLs, due to the uncertainty that enough taxable income will be generated to utilize the assets. ~~The Company'~~ **In general, a corporation'** s ability to utilize its NOLs may be limited if it experiences an " ownership change " as defined in Section 382 ~~(Section 382) of the Internal Revenue Code of 1986, as amended~~ . An ownership change generally occurs if certain direct or indirect five percent shareholders increase their aggregate percentage ownership of a corporation' s stock by more than 50 percentage points over their lowest percentage ownership at any time during the testing period, which is generally the three- year period preceding any potential ownership change. **If a corporation** ~~There is no assurance that the Company will not experience~~ **experiences an** ~~a current or future~~ ownership change ~~under Section 382 that would significantly limit or possibly eliminate its ability to use its NOLs. Current or potential future transactions by the Company involving the sale or issuance of its common stock~~ , ~~or~~ the **corporation will** ~~exercise of Common Warrants (as defined below), or a combination of such transactions, may result in ownership changes under Section 382. In addition, the Company may experience ownership changes as a result of shifts in the direct or indirect ownership of its stock, some of which may~~ be ~~outside of its control. Under Section 382, a current or future ownership change would~~ subject ~~the Company~~ to an annual limitation that applies to the amount of pre- ownership change NOLs that may be used to offset post- ownership change taxable income. This limitation is generally determined by multiplying the value of ~~a~~ **the** corporation' s stock immediately before the ownership change by the applicable long- term tax- exempt rate. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may under certain circumstances be increased by built- in gains in the assets held by such corporation at the time of the ownership change. ~~This limitation could cause the Company' s U. S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause some of its NOLs to expire unused.~~ Similar rules and limitations may apply for state income tax purposes. **The Company is in the process of completing a Section 382 study and believes an ownership change has occurred in connection with the Merger Transactions, but has not yet completed the analysis. For financial statement purposes, the Company has included the federal and state NOLs and R & D credit in the schedule of deferred tax assets offset with a full valuation allowance. If eliminated, the related asset would be removed from the deferred tax asset schedule with a corresponding reduction in the valuation allowance. Due to the existence of the valuation allowance, limitations created by historical ownership changes will not impact the Company' s effective tax rate in the future. There is no assurance that Cibus will not experience additional ownership changes under Section 382 that would further limit or possibly eliminate its ability to use its NOLs. In addition, Cibus may experience ownership changes as a result of shifts in the direct or indirect ownership of its stock, some of which may be outside of its control.** There is also a risk that future legal or regulatory changes may limit **Cibus** ~~the Company~~ ' ~~s~~ ability to use current or future NOLs to offset its future federal income tax liabilities. ~~Risk~~ **Risks** Related to the ~~Organization~~ **Organizational Structure** ~~and Governance~~ of ~~the~~ **Cibus Cibus is a holding** ~~Company~~ **company** ~~Changes~~ **and its only material asset is its interest in Cibus Global, and it is accordingly dependent upon distributions from Cibus Global** to **pay taxes, make payments under the Tax Receivable Agreement, and cover its corporate and** ~~the~~ **other overhead expenses. Cibus is a holding** ~~Company~~ **company with no material assets other than its ownership of Cibus Common Units. As a result, Cibus has no independent means of generating revenue or cash flow. Cibus' ability to pay taxes, make payments under the Tax Receivable Agreement, and cover its corporate and other overhead expenses depends on the financial results and cash flows of Cibus Global and its subsidiaries and the distributions that Cibus receives from Cibus Global. Deterioration in the financial condition, earnings, or cash flow of Cibus Global and its subsidiaries, for any reason, could limit or impair Cibus Global** ' s ~~strategic business focus have placed~~ **ability to pay such distributions. Additionally, to the extent that Cibus needs funds and Cibus Global and / or any of its subsidiaries are restricted from**

making such distributions under applicable law or regulation or under the terms of any financing arrangements, or Cibus Global is otherwise unable to provide such funds, it could materially adversely affect Cibus' liquidity and financial condition. Subject to the potential risk of being treated as a publicly traded partnership discussed below, Cibus Global is treated as a partnership for United States federal income tax purposes and, as such, generally is not subject to any entity-level United States federal income tax. Instead, the taxable income of Cibus Global will be allocated to holders of Cibus Common Units, including Cibus. Accordingly, Cibus is required to pay income taxes on its allocable share of any net taxable income of Cibus Global. Under the terms of the Cibus Amended Operating Agreement, Cibus Global is obligated to make tax distributions to holders of Cibus Common Units, including Cibus, calculated at certain assumed tax rates. In addition to tax expenses, Cibus will also incur expenses related to its operations, including payment obligations under the Tax Receivable Agreement (and the cost of administering such payment obligations), which could be significant ~~demands on the Company' s management~~ and **some** ~~the Company' s infrastructure. Since the Company' s IPO on July 25, 2017, the strategic focus~~ of ~~the business has undergone changes. In October 2021, the Company announced the launch of a strategic initiative~~ which **may be reimbursed by Cibus Global (excluding payment obligations under** ~~focused it on engineering synthetic biology solutions. Most recently, in light of~~ the ~~proposed Transactions, the Company has focused~~ **Tax Receivable Agreement). Cibus intends to cause Cibus Global to make distributions to holders of Cibus Common** ~~its~~ **Units in amounts** ~~current business activities on ensuring it has cash~~ sufficient to ~~achieve a closing of the proposed Transactions. Accordingly~~ **cover all applicable taxes (calculated at assumed tax rates)** , **relevant** ~~Calyxt has taken additional steps to reduce its~~ operating expenses **, payments under the Tax Receivable Agreement, and dividends, if any, declared by Cibus. However, as discussed below, Cibus Global' s ability to make such distributions may be subject to various limitations and restrictions including, but not limited to, restrictions on distributions that would either violate any contract or agreement to which Cibus Global is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Cibus Global insolvent. If Cibus' cash resources are insufficient to meet its obligations under the Tax Receivable Agreement and to fund its obligations, Cibus may be required to incur additional indebtedness to provide the liquidity needed to make such payments, which could materially adversely affect its liquidity and financial condition and subject Cibus to various restrictions imposed by any such lenders. To the extent that Cibus is unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments due under the Tax Receivable Agreement, which could be substantial. Additionally, although Cibus Global generally is not subject to any entity- level United States federal income tax, it may be liable under federal tax legislation for adjustments to its tax return, absent an election to the contrary. In the event Cibus Global' s calculations of taxable income are incorrect, its members, including Cibus, in later years may be subject to material liabilities pursuant to this federal legislation and its related guidance. Cibus anticipates that the distributions it will receive from Cibus Global may, in certain periods, exceed Cibus' actual tax liabilities and obligations to make payments under the Tax Receivable Agreement** . The **Cibus Board** ~~Company has focused its operations on: scaling production of its Plant Cell Matrix with its manufacturing partner~~ , ~~Evologic: licensing efforts~~ **in its sole- 41- discretion, may make any determination from time- to- time** with respect to **the use of any such excess cash so accumulated, which may include, among other uses, to pay dividends on Class A Common Stock. Cibus has no obligation to distribute such cash (or other available cash other than any declared dividend) to its stockholders. In certain circumstances, Cibus Global** ~~its~~ **is** ~~PlantSpring technology~~ **required to make distributions to Cibus and the other holders of Cibus Common Units, and the distributions that Cibus Global will be required to make may be substantial. Cibus Global is generally required from time- to- time to make pro rata distributions in cash to Cibus and the other holders of Cibus Common Units at certain assumed tax rates in amounts that are intended to be sufficient to cover the taxes on Cibus' and the other Cibus Common Unit holders' respective allocable shares of the taxable income of Cibus Global. As a result of (i) potential differences in the amount of net taxable income allocable to Cibus and the other holders of Cibus Common Units, (ii) the lower tax rate applicable to corporations than individuals and (iii) the use of** ~~and~~ **an** ~~plant traits~~ **assumed tax rate (based on the tax rate applicable to individuals) in calculating Cibus Global' s distribution obligations** , **Cibus may receive tax distributions significantly in excess of its tax liabilities and obligations to make payments under the Tax Receivable Agreement. Cibus will determine in its sole discretion the appropriate uses for any excess cash so accumulated, which may include, among other uses, dividends, the payment of obligations under the Tax Receivable Agreement, and the payment of other expenses. Cibus has no obligation to distribute such excess cash (or other available cash other than any declared dividend) to the other holders of Class A Common Stock. The current expectation is that Cibus will invest its future earnings, if any, to fund growth of Cibus Global' s operating business and will not pay any dividends to holders of Class A Common Stock for the foreseeable future. No adjustments to the redemption or exchange ratio of Cibus Common Units for shares of Class A Common Stock will be made as a result of either (i) any cash dividend by Cibus or (ii) any cash that Cibus retains and does not distribute to its stockholders. To the extent that Cibus does not distribute such excess cash as dividends on Class A Common Stock and instead, for example, holds such cash balances or lends them to Cibus Global, Cibus Global equityholders would benefit from any value attributable to such cash balances as a result of their ownership of Class A Common Stock following a redemption or exchange of their Cibus Common Units. Cibus is required to make payments to the TRA Parties pursuant to the Tax Receivable Agreement for certain tax benefits Cibus may receive and the amounts payable may be substantial. Cibus acquired certain favorable tax attributes from certain Blockers in the Blocker Mergers. In addition, future redemptions or exchanges of Cibus Common Units for shares of Class A Common Stock or cash, and other transactions described herein, are expected to result in favorable tax attributes for Cibus. These**

tax attributes would not be available to Cibus in the absence of those transactions and are expected to reduce the amount of tax that Cibus would otherwise be required to pay in the future. Cibus entered into the Tax Receivable Agreement, pursuant to which Cibus generally is required to pay to the TRA Parties, in the aggregate, 85 percent of the net income tax savings that Cibus actually realizes (or in certain circumstances, is deemed to realize) as a result of (i) certain favorable tax attributes Cibus acquired from the Blockers in the Blocker Mergers (including ~~the TALEN technology; and continuing~~ net operating losses), (ii) increases to ~~progress~~ Cibus' allocable share of the tax basis of Cibus Global' s assets resulting from future redemptions or exchanges of Cibus Common ~~its~~ Units ~~current customer projects~~ for shares of Class A Common Stock or cash, (iii) tax attributes resulting from certain payments made under the Tax Receivable Agreement and (iv) deductions in respect of interest under the Tax Receivable Agreement . The ~~Company' s~~ payment obligations under ~~three~~ -- the ~~key customer projects~~ Tax Receivable Agreement are Cibus' obligations and not obligations of Cibus Global. It is expected that the payments Cibus is required to make under the Tax Receivable Agreement will be substantial. Because potential future tax savings that Cibus will be deemed to realize, and the Tax Receivable Agreement payments made by Cibus, are and will be calculated based in part on the market value of the Class A Common Stock at the time of each redemption or exchange under the Exchange Agreement and the prevailing applicable tax rates applicable to Cibus over the life of the Tax Receivable Agreement and depend on Cibus generating sufficient taxable income to realize the tax benefits that are subject to the Tax Receivable Agreement, the actual amounts Cibus will be required to pay are difficult to predict and may differ materially from any management projections that may be made from time- to- time. Payments under the Tax Receivable Agreement are not conditioned on the Cibus Global equityholders' or Blocker equityholders' continued ownership of Cibus. In certain cases, payments under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits Cibus realizes in respect of the tax attributes subject to the Tax Receivable Agreement. Payments under the Tax Receivable Agreement are based on the tax reporting positions Cibus determines, and the IRS or another tax authority may challenge all or a part of the tax basis increases, net operating losses, or other tax attributes subject to the Tax Receivable Agreement, and a court could sustain such challenge. The parties to the Tax Receivable Agreement do not reimburse Cibus for any payments previously made if such tax basis or other tax benefits are subsequently disallowed, except that any excess payments made to a party under the Tax Receivable Agreement will be netted against future payments otherwise to be made under the Tax Receivable Agreement, if any, after the determination of such excess. In addition, the Tax Receivable Agreement provides that if (1) Cibus breaches ~~its research collaboration with a leading global food ingredient manufacturer to develop a soybean trait to serve as an~~ any ~~alternative to palm oil~~ of its material obligations under the Tax Receivable Agreement (including in the event that Cibus is more than three months late making a payment that is due under the Tax Receivable Agreement, except in the case of certain liquidity exceptions) , (2) Cibus ~~its~~ - is ~~plant- based chemistry pilot project~~ subject to certain bankruptcy, insolvency, ~~for~~ - or similar proceedings ~~a major consumer packaged goods company~~ , ~~and~~ (3) ~~supporting late~~ upon certain mergers, asset sales, or other forms of business combination, or certain other changes of control, or (4) at - ~~stage development activities~~ 42- any time, Cibus elects an early termination of the Tax Receivable Agreement, Cibus' obligations under the Tax Receivable Agreement (with respect to all Cibus Common Units, whether or not such units have been exchanged or redeemed before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that Cibus would have sufficient taxable income to fully utilize the deductions arising from the tax deductions, tax basis, and other tax attributes subject to the Tax Receivable Agreement. As a result, upon any acceleration of Cibus' obligations under the Tax Receivable Agreement and upon a change of control, Cibus could be required to make payments under the Tax Receivable Agreement that are greater than 85 percent of its actual cash tax savings, which could negatively impact its liquidity. The change of control provisions in the Tax Receivable Agreement may also result in situations where the Cibus Global equityholders and the relevant Blocker Owners that are TRA Parties will have interests that differ from or are in addition to those of the other holders of Class A Common Stock. Finally, because Cibus is a holding company with no operations of its own, its ability to make payments under the Tax Receivable Agreement depends on the ability of Cibus Global to make distributions to it. To the extent that Cibus is unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid, which could negatively impact Cibus' results of operations and could also affect its liquidity in periods in which such payments are made. If Cibus Global were to become a publicly traded partnership taxable as a corporation for United States federal income tax purposes, Cibus and Cibus Global might be subject to potentially significant tax inefficiencies, and Cibus would not be able to recover payments previously made by ~~its~~ - it ~~improved digestibility alfalfa~~ under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status. Cibus' management intends to operate Cibus Global such that it does not become a publicly traded partnership taxable as a corporation for United States federal income tax purposes. A " publicly traded partnership " is a partnership the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exchanges of Cibus Common Units pursuant to the Exchange Agreement or other transfers of Cibus Common Units could cause Cibus Global to be treated as a publicly traded partnership. Applicable Treasury Regulations provide for certain safe harbors from treatment as a publicly traded partnership, and it is intended that Cibus Global will be operated such that exchanges or other transfers of Cibus Common Units qualify for one or more such safe harbors. For example, the Exchange Agreement and the Cibus Amended Operating Agreement provide for limitations on the ability of Cibus Global equityholders to transfer their Cibus Common Units and provide Cibus with the right to cause the imposition of limitations and restrictions (in addition to those already in place) on the ability of Cibus Global equityholders to exchange their Cibus Common Units pursuant to the Exchange Agreement to the extent Cibus believes it is necessary to ensure that Cibus Global will continue to be treated as a partnership for United States federal income tax purposes. If Cibus Global were to become a publicly traded partnership taxable as a corporation for United States federal income tax purposes, significant tax inefficiencies might result for Cibus and Cibus Global, including as a result of Cibus' inability to file a consolidated United States federal income tax return with Cibus Global. In addition, Cibus may not be able to realize tax benefits covered under the Tax Receivable Agreement, and Cibus would not be able to recover any payments previously made by it under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of Cibus Global' s assets) were subsequently determined to have been unavailable. If Cibus were deemed to be an investment company under the Investment Company Act of 1940, as amended (the " 1940 Act "), as a result of its ownership of Cibus Global, applicable restrictions could make it impractical for Cibus to continue its business as contemplated and could have a material adverse effect on Cibus' business. Under Sections 3 (a) (1) (A) and (C) of the 1940 Act, a company generally will be deemed to be an " investment company " for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 percent of the value of its total assets (exclusive of United States government securities and cash items) on an unconsolidated basis. It is not expected that Cibus would be an " investment company, " as such term is defined in either of those sections of the 1940 Act. Cibus regards itself as a plant trait company. Cibus believes that it is engaged primarily in the business of using gene editing technologies to develop and license gene edited plant traits that improve farming productivity or produce renewable low carbon plant products and not in the business of investing, reinvesting, or trading in securities. Cibus also believes its primary source of income is properly characterized as income earned in exchange for products and services derived from such applications of its gene editing technologies. Cibus holds itself out as being engaged primarily in the plant trait business and does not propose to engage primarily in the business of investing, reinvesting, or trading in securities. As the sole managing member of Cibus Global, Cibus controls and operates Cibus Global. It is intended that Cibus and Cibus Global conduct their operations so that Cibus will not be deemed an investment company. However, if Cibus were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on Cibus' capital structure and its ability to transact with affiliates, could make it impractical for Cibus to continue its business as contemplated and could have a material adverse effect on Cibus' business.- 43- In certain cases, the holders of Class B Common Stock have the sole power to approve a reorganization of Cibus, resulting in Cibus no longer being structured as an umbrella partnership C corporation. The holders of Class B Common Stock have the sole power to vote on any merger, consolidation, or conversion in connection with a reorganization of the Up- C structure (an " Up- C Reorganization ") or any necessary amendment to the Amended Certificate of Incorporation in order to effect an Up- C Reorganization. For purposes of this right of the holders of Class B Common Stock, an Up- C Reorganization means any transaction or series of transactions intended to result in Cibus no longer being structured as an umbrella partnership C corporation so long as (i) such transaction or series of transactions does not have a material adverse effect on the rights or preferences of the Class A Common Stock (in the sole determination of the independent members of the Cibus Board) and (ii) such transaction or series of transactions shall not be treated as resulting in a " Change of Control " under the Tax Receivable Agreement. If the holders of Class B Common Stock were to approve an Up- C Reorganization, such decision could have an adverse effect on the trading price of the Class A Common Stock to the extent investors perceive a disadvantage in owning stock of a company that is no longer in an Up- C structure. In the event that Cibus' payment obligations under the Tax Receivable Agreement are accelerated upon certain mergers, other forms of business combinations or other changes of control, the consideration payable to holders of Class A Common Stock could be substantially reduced. If Cibus experiences a change of control (as defined under the Tax Receivable Agreement), its obligation to make a substantial, immediate lump- sum payment under the Tax Receivable Agreement could result in holders of Class A Common Stock receiving substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Further, holders of rights under the Tax Receivable Agreement may not have an equity interest in Cibus. Accordingly, the interests of holders of rights under the Tax Receivable Agreement may conflict with those of the holders of Class A Common Stock. Cibus will not be reimbursed for any payments made under the Tax Receivable Agreement in the event that any tax benefits are subsequently disallowed. Payments under the Tax Receivable Agreement are based on the tax reporting positions that Cibus determines. The holders of rights under the Tax Receivable Agreement will not reimburse Cibus for any payments previously made under the Tax Receivable Agreement if such basis increases or other benefits are subsequently disallowed, except that excess payments made to any such holder will be netted against payments otherwise to be made, if any, to such holder after determination of such excess. However, a determination that Cibus has made an excess payment might not occur until a number of years after such payment has been made. Additionally, if any of Cibus' tax reporting positions are challenged by a taxing authority, Cibus will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. The applicable United States federal income tax rules for determining Cibus' tax reporting positions are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with Cibus' tax reporting positions. As a result, in such circumstances, Cibus could make payments that are greater than actual cash tax savings, if any, and may not be able to recoup those payments , which ~~was developed with and licensed to S & W Seed Company. The changes to the Company' s strategic focus has placed, and may continue to place, significant demands on the Company' s management and its operational and financial infrastructure. Managing a significant change in business focus and~~

~~negotiating the Transactions while overseeing day- to- day operations, each requires significant expenditures and allocation of valuable management resources. If the Company fails to achieve the necessary level of efficiency in its organization as it evolves, its business, financial condition and results of operations would~~ **could** ~~be~~ adversely ~~impacted~~ **affect Cibus' liquidity** .

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