

## Risk Factors Comparison 2025-03-20 to 2024-03-21 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 those 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 Stock could decline, and you may lose all or part of your investment. 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 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.

Risks Related to 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. While Cibus has established commercial relationships with seed company counterparties, it presently does not have any revenue generating commercial contract with such seed companies. Accordingly, 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 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 and operating losses for 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 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 has concluded that there is substantial doubt about its ability to continue as a going concern for at least 12 months from the issuance date of the financial statements included with this Annual Report on Form 10- K. Cibus' ability to continue as a going concern will depend on its ability to obtain additional financing in the near term. ~~As of December 31, 2023~~ **2024**, Cibus had \$ ~~32.74~~ **32.14** million of cash and cash equivalents. Current liabilities were \$ ~~21.19~~ **3.9** million as of December 31, ~~2023~~ **2024**. 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. **Furthermore, the Company's ability to raise additional capital may be limited by applicable SEC rules and Nasdaq shareholder approval requirements.** 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 the fourth quarter of 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. ~~Cibus' management continues to evaluate and closely manage~~ **Additionally, in the fourth quarter of 2024, the Company initiated its Restructuring Initiative designed to preserve capital resources and for the advancement of its streamlined priority objectives, which initiatives include reductions in expenditures for view of current constraints -- consultants and other third- party service providers, organizational restructuring and related talent optimization, and streamlining of rent and facility expenses, including the non- renewal of the lease for the Company's Oberlin facility upon expiration in August 2025.** If Cibus fails to obtain substantial funding or consummate a strategic transaction in the next several 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 the event of a wind- down, it is likely that holders of Cibus' Common Stock will lose all or part of their investment. If Cibus seeks additional financing to fund its business activities in the future and there is substantial doubt about its ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to Cibus on commercially reasonable terms or at all. Cibus faces significant competition and many of its competitors have substantially greater financial,

technical, and other resources than Cibus does. The 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, such as flavor or fragrance ingredients, as well as from emerging alternatives produced from renewable sources, including fermentation and synthetic biology. Many of Cibus' current or potential competitors, either alone or with their R & D or collaboration partners, have significantly greater financial resources and expertise in R & D, marketing, and licensing than Cibus does and invest substantial resources in ongoing R & D. Further, many competitors 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 rendered obsolete or uneconomical, which would adversely affect its business, results of operations, and financial condition.

**The Company's Restructuring Initiative may result in operational and strategic challenges. On October 18, 2024, Cibus announced its Restructuring Initiative, which included a reduction in its workforce by approximately 26 full-time employees, a reduction of approximately 14 percent. The Restructuring Initiative was a result of Cibus' realigned organization, which focuses the allocation of the Company's capital resources toward its commercial effort priorities through advancement of Cibus' weed management traits HT1 and HT3 for Rice, Sclerotinia resistance trait for Soybean and Canola, and the continuing development of its Soybean platform, while enabling continued progress on its PSR trait and its third weed management trait HT2 with a more streamlined use of resources. 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. The Company's 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 the Company's business and operations. As a result of the Restructuring Initiative, Cibus' management may need to divert attention away from day-to-day strategic and operational activities and devote additional time to managing organizational changes.**

Cibus' success depends, in part, on its ability to effectively estimate future demand. Due to the lead time involved in developing a gene edited plant product, Cibus and its licensee customers must make a number of assumptions and estimates regarding the commercial feasibility of development, including assumptions and estimates regarding the demand for end-products containing Cibus licensed intellectual property, 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 and its licensee customers may invest substantial time and resources to develop intellectual property for a contemplated product that is quickly displaced or that addresses a market that no longer exists or is smaller than previously thought. Cibus' business activities are currently conducted at a limited number of locations, and damage or business disruptions at these locations would have an adverse effect on its business. Cibus' current headquarters, as well as its Oberlin Facility, 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, 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 customary insurance coverage, implementing safety protocols, and keeping critical research results and computer data backed-up on off-site storage networks. However, damage to, or destruction of, critical facilities, equipment, inventory or development projects, or any business disruptions at Cibus' 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 products. Notwithstanding its investments in R & D, there is significant risk that Cibus will not be able to 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. For example, Cibus may be unable to achieve a desired trait using its RTDS, or Cibus' productivity traits that perform in 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 products. Even if successfully executed, the value that Cibus ascribes to its products may not be recognized or accepted by potential licensors or their downstream end- user customers. **Furthermore, through a collaboration with Biographica, Cibus is in the early stages of exploring potential AI capabilities and related data analytics to identify and prioritize targets for gene editing, initially focusing on advancing disease resistance in Canola and WOSR. As an emerging and rapidly evolving technology, Cibus' use of AI presents risks. AI systems may produce inaccurate or flawed outputs due to flawed algorithms, or insufficient and / or erroneous training data. Reliance on flawed outputs could result in lower quality decision- making or prevent the Company from effectively utilizing AI in its business. If Cibus and Biographica do not effectively implement guardrails and train their respective employees on the proper use of AI, Cibus may experience adverse effects on its business, including the loss of confidential information (including Cibus' intellectual property), or other misuse of the Company' s proprietary information, which could result in significant reputational harm and could have a material adverse effect on its business and results of operations.** Lastly, the field of gene editing in plants is still in its early stages. Unexpected or negative developments from the use of RTDS, including with respect to the exhibition of unanticipated undesirable traits or characteristics, could adversely affect the commercial value of Cibus' product offerings and harm its reputation. 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 them to successfully commercialize such products. ~~-24-~~ 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' 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 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 gene editing germplasm is delivered back to the seed company for validation. Although Cibus believes that the initiation of this collaboration process with the entry into a material transfer agreement reflects the parties' joint intent of commercializing the Cibus trait in the customer' s elite germplasm, 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. **-25-** 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 developed and evaluated in greenhouse conditions. Field trials allow Cibus to test the productivity traits that it has developed as well as to increase seed production, and to measure performance across multiple geographies and conditions. The successful completion of field trials is critical to the success of Cibus' productivity trait development efforts and supports its licensing efforts with respect to its 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, or if the field trials do not 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 results of operations. Cibus relies on third parties to conduct, monitor, support, and 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 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, or if any such engagement is terminated prematurely, Cibus may be unable to conduct or complete its field trials in the manner it anticipates. If Cibus' relationship with any of these third parties is terminated, Cibus may be unable to enter into arrangements with alternative third parties on commercially reasonable terms, or at all. Switching or adding third parties can involve substantial cost and require extensive management time and focus. In addition, there is a natural transition period when any new third party commences field trial work. As a result, delays may occur, which could materially impact Cibus' ability to meet its desired development timelines. Cibus may lack the necessary expertise, personnel, and resources to effectively license its priority productivity trait 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- 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. **-26-** 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 could result in write-offs of inventory. If Cibus was unable to produce the necessary seed for an extended period of time for any reason, its business, customer relations, and operating results could suffer. ~~28~~ Cibus may not be able to identify suitable seed producers to meet its production 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 or 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, then 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' productivity traits or sustainable ingredient products will provide within the relevant end product market dynamics, rather than on the cost of production. If licensees, 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 or suboptimal in producing or exhibiting the characteristics expected by Cibus and 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 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, these parties may transfer negative perceptions and 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 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 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 delay or impair its ability to enter licensing agreements or to receive milestone and royalty payments pursuant to such licensing arrangements.

**Cibus' financial statements include goodwill as a result of the Merger Transactions. Goodwill could become impaired in the future under certain conditions, and any such impairment may significantly impact Cibus' results of operations and financial condition. As of December 31, 2024, Cibus had approximately \$ 253. 5 million in goodwill from the Merger Transactions. In accordance with ASC 350, Goodwill and Other, the Company evaluates the carrying value of goodwill for impairment annually as of November 1. On November 1, 2024, Cibus performed its annual impairment analysis and determined there was no change from the preceding analysis, which occurred on September 30, 2024, and no additional impairment was triggered related to this annual review. In addition to annual analysis, Cibus also assesses goodwill between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of goodwill below its carrying amount. During the third quarter of 2024, the Company experienced a triggering event and assessed its goodwill for impairment. Cibus considered the decline in its stock price since its last annual assessment and concluded it was more likely than not that its goodwill would be impaired. The Company determined its goodwill- 27- was impaired by \$ 181. 4 million, which was recorded during the third quarter of 2024 in the accompanying consolidated statements of operations. Triggering events that could indicate impairment and necessitate an evaluation of goodwill include, but are not limited to, macroeconomic conditions, industry and market considerations, increases in Cibus' costs, commercial performance relative to strategic initiatives, adverse regulatory developments, or the deterioration of the market price of Cibus' Class A Common Stock. To the extent a triggering event occurs and Cibus concludes that goodwill has become further impaired, Cibus may be required to incur material write- offs relating to such impairment and any such write- offs could have a material impact on the Company' s future operating results and financial position.**

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 risks**. 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 ~~28~~ 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, 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 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 **Generally Regarded As Safe (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 delay a licensee customer' s commercialization of products containing these productivity traits. The FDA' s thinking on the use of genome editing techniques to produce new plant varieties that are 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 candidates, 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 is 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 third parties of these materials, or may otherwise be required to remediate such contamination, and Cibus' liability with respect to such claims may exceed any insurance coverage that it 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 ~~-30-~~ 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, 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 applicable laws. Cibus' productivity trait and sustainable ingredient candidates are subject to export control and import laws and 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 well as successfully defending these rights against third party challenges. Cibus will only be able to protect against unauthorized use of its intellectual property by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover it. Such protection, where available, will be inherently limited by the limited lifespan of 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' ability to obtain patent protection for its productivity trait or sustainable ingredient products, processes, and technologies is uncertain due to a number of factors, including:

- Cibus or its licensors may not have been the first to invent the technology covered by Cibus' or their pending patent applications or issued patents;
- Cibus cannot be certain that it or its licensors were the first to file patent applications covering Cibus' productivity trait or sustainable ingredient product, processes, or technologies, as patent applications in the United States and most other countries are confidential for a period of time after filing;
- others may independently develop identical, similar, or alternative productivity trait or sustainable ingredient product, processes, and technologies;
- 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, may 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.

~~-31-~~ Even if Cibus owns, obtains, or in-licenses patents covering its productivity trait or sustainable ingredient product, processes, and technologies, Cibus may still be barred from making, using, and selling its productivity trait or sustainable ingredient product, processes, and technologies because of the 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 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 for 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 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 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 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- 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 relationship with Cibus. 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 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, could negatively impact its competitive position. The patent positions of biotechnology companies and other actors in Cibus' fields of business can be highly uncertain and typically involve complex scientific, legal, and factual analyses. 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 ~~-32-~~ 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 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 Cibus' or its licensors' patent applications or the loss or reduction in their scope. In addition, such 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 Cibus' or its licensors' patents may not provide Cibus with 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 Cibus' business. Furthermore, even if not challenged, Cibus' or its licensors' patents and patent applications may not adequately protect its productivity traits or sustainable ingredient products, processes, or

technologies or prevent others from designing their products or technology to avoid being covered by Cibus' or its licensors' patent claims. If the breadth or strength of protection provided by the patents Cibus 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 Cibus to develop, and could threaten its ability to successfully commercialize, its 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 or its licensors fail to obtain and maintain patent protection and trade secret protection of Cibus' productivity trait or sustainable ingredient product, processes, and technologies, Cibus could lose its competitive advantage and competition it faces would increase, potentially reducing revenues and having a material adverse effect on its business. ~~34~~ Cibus will not seek to protect its intellectual property rights in all jurisdictions throughout the world and Cibus may not be able to adequately enforce its intellectual property rights even in the jurisdictions where 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, and Cibus' 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 may not be able to prevent third parties from practicing Cibus' inventions in all countries outside the United States, or from selling or importing products made using Cibus' inventions in and into the United States or other jurisdictions. Competitors may use Cibus' technologies in jurisdictions where Cibus or its licensors do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where Cibus or its licensors have patent protection, but where the ability to enforce Cibus' or its licensors' patent rights is not as strong as in the United States. These products may compete with Cibus' products and its intellectual property rights and such rights may not be effective or sufficient to prevent such competition. 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 of some foreign countries do not protect 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. ~~33~~ 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' licensors' and Cibus' own patent rights and other intellectual property rights in foreign jurisdictions could result in substantial costs and divert Cibus' efforts and attention from other aspects of its business, could put Cibus' or its licensors' patents at risk of being invalidated or interpreted narrowly, could put Cibus' or its licensors' patent applications at risk of not issuing, and could provoke third parties to assert claims against Cibus or its licensors. Cibus may not prevail in any lawsuits that it initiates and the damages or other remedies awarded to Cibus, if any, may not be commercially meaningful, while the damages and other remedies Cibus may be ordered to pay such third parties may be significant. Accordingly, Cibus' licensors' and 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 Cibus develops or licenses. Third parties may assert rights to inventions Cibus develops or otherwise regards as its own. Third parties may in the future make claims challenging the inventorship or ownership of Cibus' or its licensors' intellectual property. Cibus has written agreements with R & D partners that provide for the ownership of intellectual property arising from its strategic alliances. These agreements provide that Cibus must negotiate certain commercial rights 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 be adequate written provisions to address clearly the allocation of intellectual property rights that may arise from the respective alliance. If Cibus cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from Cibus' 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 may be limited in its ability to capitalize on the full market potential of these inventions. In addition, Cibus may face claims by third parties that its agreements with employees, contractors, or consultants obligating them to assign intellectual property to 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 is not successful, Cibus may be precluded from using certain intellectual property and associated products, processes, and technologies, or may lose its rights in that intellectual property. Either outcome could have a material adverse effect on Cibus' business. ~~-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 searches 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 that it has identified each and every third party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of Cibus' products or productivity trait or sustainable ingredient candidates in any jurisdiction. The scope of a 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, which may negatively impact Cibus' ability to develop and market its products or productivity trait or sustainable ingredient candidates. Cibus' failure to identify and correctly interpret relevant patents may negatively impact its ability to develop and market its products or productivity trait or sustainable ingredient candidates. Any infringement, misappropriation, or other violation by Cibus of intellectual property rights of others may prevent or delay Cibus' product development efforts and may prevent or increase the costs of Cibus successfully commercializing its products or productivity trait or sustainable ingredient candidates, if approved. 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 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 use of such techniques or compounds infringes, misappropriates, or otherwise 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. ~~-34-~~ 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 may require Cibus to pay substantial damages, including treble damages and attorneys' fees if 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 is forced to take a license. Such a license may not be available on commercially reasonable terms, or at all. Even if Cibus was able to obtain a license, it could be non- exclusive, thereby giving Cibus' competitors access to the same intellectual property rights or technologies licensed to Cibus. In addition, if any such claim were successfully asserted against Cibus and Cibus could not obtain a license, Cibus or its partners may be forced to stop or delay developing, manufacturing, selling, or otherwise commercializing its productivity trait or sustainable ingredient product or other infringing technology, or those Cibus develops with its R & D partners. Even if Cibus is successful in these proceedings, Cibus may incur substantial costs and divert management time and attention pursuing these proceedings, which could have a material adverse effect on Cibus. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of Cibus' 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 investors perceive these results to be negative, it could have a substantial adverse effect on the value of Cibus' securities. Such litigation or proceedings could substantially increase Cibus' operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. If Cibus is unable to avoid infringing the patent rights of others, 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 may not have 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' business, results of operations, financial condition, and prospects. Cibus may be unsuccessful in licensing or acquiring intellectual property from third parties that may be required to develop and commercialize Cibus' products or productivity trait or sustainable ingredient candidates. Because Cibus' programs may involve the use of intellectual property or proprietary rights held by third parties, the growth of Cibus' business 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 may be unable to acquire or in- license any third party intellectual property or proprietary rights. Even if Cibus is able to acquire or in- license such rights, 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 a number of more established companies are also pursuing strategies to license or acquire third party intellectual property and proprietary rights that Cibus may consider attractive or necessary. These established companies may have a competitive advantage over Cibus due to their size, capital resources, and agricultural development and commercialization capabilities. Cibus sometimes partners with academic institutions to accelerate its R & D under written agreements with these institutions. Typically, these institutions provide Cibus with an option to negotiate a license to any of the institution' s rights in technology resulting from the strategic alliance. Regardless of such option, Cibus may be unable to negotiate a license within the specified time frame or under terms that are acceptable to Cibus, and the institution may license such intellectual property rights to third parties, potentially blocking Cibus' ability to pursue its development and commercialization plans. In addition, companies that perceive Cibus to be a competitor may be unwilling to assign or license intellectual property and proprietary rights to Cibus. Cibus 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 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 has, Cibus may have to cease development of the relevant program, product, or productivity trait or sustainable ingredient candidate, which could have a material adverse effect on its business. **- 35-** If Cibus fails to comply with its obligations in the agreements under which Cibus licenses intellectual property rights from 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 is a party to a number of 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 them. 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 its payment 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 its licensor the right to terminate the agreement. Termination of a necessary license agreement could have a material adverse impact on Cibus' 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 other interpretation- related issues; • the basis of 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 of operations will be affected by the level of royalty payments that Cibus is required to pay to third parties. -36- 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 other payments related to its owned or licensed intellectual property. Under its in- license agreements, Cibus may pay up- front fees and milestone payments and be subject to future royalties. Cibus cannot precisely predict the amount, if any, of royalties it will owe in the future, and if its calculations of royalty payments are incorrect, Cibus may owe additional royalties, which could 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 these 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 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 will be successful in attracting or retaining such personnel and the failure to do so could have a material adverse effect on its business, results of operations, and financial condition. Cibus' internal computer systems, or those of its third party contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of Cibus' operations. -37- Despite the implementation of security measures, Cibus' internal computer systems, and those of third parties 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 the Internet, attachments to 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 material system failure, accident, or security breach to date, if such an event were to 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 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 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 transactions in which holders of its Class A Common Stock might otherwise receive a premium price for their shares. These provisions could also limit the price that investors might be willing to pay in the future for the Class A Common Stock, thereby depressing the market price of the Class A Common Stock. In addition, because the Cibus Board is responsible for appointing the members of the Cibus management team, these provisions may frustrate or prevent any attempts by Cibus' stockholders to replace or remove its current management by making it more difficult for stockholders to replace members of the Cibus Board. Among other things, 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 be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by the Cibus Board.

Moreover, because Cibus is 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 Cibus for a period of three ~~38~~ years after the date of the transaction in which the person acquired 15 percent or more of Cibus' outstanding voting stock, unless the merger or combination is approved in a manner prescribed by the statute. Cibus may issue shares of preferred stock in the future, which could make it difficult for another company to acquire Cibus or could otherwise adversely affect holders of its Class A 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. The Cibus Board has the 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 series, without any further vote or action by its stockholders. Cibus' preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of the Class A Common Stock. The potential issuance of preferred stock may delay or prevent a change in control of Cibus, discourage bids for the Class A Common Stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of the Class A Common Stock. Cibus' executive officers, directors, and principal stockholders have the ability to control or significantly influence all matters submitted to its stockholders for approval. Cibus' executive officers, directors, and principal stockholders, in the aggregate, beneficially ~~own~~ **own-owned** approximately ~~50-41.2~~ **21** percent of Cibus' outstanding Shares as of December 31, ~~2023-2024~~. As a result, if these stockholders were to choose to act together, they would be able to control or significantly influence all matters submitted to Cibus' stockholders for approval, as well as Cibus' management and affairs. For example, these persons, if they choose to act together, would control or significantly influence the election of directors and approval of any merger, consolidation, or sale of all or substantially all of Cibus' assets. This concentration of voting power could delay or prevent an acquisition of Cibus on terms that other stockholders may desire. The United States net operating loss carryforwards and certain other tax attributes of Cibus may be subject to limitations. As of December 31, ~~2023-2024~~, Cibus had approximately \$ ~~362-427.5~~ **3** million of net operating loss 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 may generate ~~40~~ additional NOLs in future years. Cibus 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. In general, a corporation's ability to utilize its NOLs may be limited if it experiences an "ownership change" as defined in Section 382.

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 experiences an ownership change, the corporation will be subject 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 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. Similar rules and limitations may apply for state income tax purposes. The Company **completed is in the process of completing a Section 382 study analysis through December 31, 2023, and believes it was determined that the Company experienced an IRC 382 cumulative shift as of 5 / 31 / 2023, as a result of the Merger Transactions. The Company completed an additional analysis through December 31, 2024, to determine if any additional cumulative shifts have occurred and concluded no Section 382 ownership change has occurred was identified in 2024 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' ability to use current or future NOLs to offset its future federal income tax liabilities. Risks Related to the Organizational Structure of Cibus Cibus is a holding company 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 other overhead expenses. Cibus is a holding 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 ability to pay such distributions. Additionally, **-39-** 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 and some of which may be reimbursed by Cibus Global (excluding payment obligations under the Tax Receivable Agreement). Cibus intends to cause Cibus Global to make distributions to holders of Cibus Common Units in amounts sufficient to cover all applicable taxes (calculated at assumed tax rates), relevant 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, 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 is 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 an 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. -40- 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 net operating losses), (ii) increases to Cibus' allocable share of the tax basis of Cibus Global's assets resulting from future redemptions or exchanges of Cibus Common Units 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 payment obligations under the 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 any 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 is subject to certain bankruptcy, insolvency, or similar proceedings, (3) upon certain mergers, asset sales, or other forms of business combination, or certain other changes of control, or (4) at ~~-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 it 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. ~~41~~ 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 -42- 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 could adversely affect Cibus' liquidity.