

Risk Factors Comparison 2025-02-13 to 2024-03-27 Form: 10-K

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Our business is subject to numerous risks. You should carefully consider the following risks, as well as general economic and business risks, and all of the other information contained in this Annual Report, together with any other documents we file with the SEC. Any of the following risks could have a material adverse effect on our business, operating results and financial condition and cause the trading price of our common stock to decline. Risks Related to Our **Proposed Merger with Crescent**

Failure to complete, or delays in completing, the potential merger, announced on October 29, 2024, could materially and adversely affect our results of operations, business, financial results and / or common stock price. On October 28, 2024, we entered into the Merger Agreement, pursuant to which, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, First Merger Sub will merge with and into Crescent. Upon consummation of the First Merger, First Merger Sub will cease to exist and the Crescent will become our wholly owned subsidiary. Immediately following the First Merger and as part of the same overall transaction as the First Merger, Crescent will merge with and into Second Merger Sub with Second Merger Sub being the surviving entity of the Second Merger. Consummation of the Merger is subject to certain closing conditions, a number of which are not within our control. Any failure to satisfy these required conditions to closing may prevent, delay or otherwise materially adversely affect the completion of the transaction. We cannot predict with certainty whether or when any of the required closing conditions will be satisfied or if another uncertainty may arise and cannot assure you that we will be able to successfully consummate the Merger as currently contemplated under the Merger Agreement or at all. Our efforts to complete the Merger could cause substantial disruptions and uncertainty, which may materially adversely affect our results of operations and business. Uncertainty as to whether the Merger will be completed in a timely manner or at all may affect our ability to retain and motivate our remaining employees. Uncertainty as to whether the Merger will be completed in a timely manner or at all could adversely affect our relationships with collaborators, suppliers, vendors, regulators and other business partners. The adverse effects of the pendency of the transaction could be exacerbated by any delays in completion of the transaction or termination of the Merger Agreement. If the conditions to the Merger are not satisfied or waived, the Merger may not occur. Even if the Merger is approved by our stockholders, specified conditions must be satisfied or, to the extent permitted by applicable law, waived to complete the Merger. We cannot assure you that all of the conditions to the consummation of the Merger will be satisfied or waived. If the conditions are not satisfied or waived, the Merger may not occur or the closing may be delayed. The exchange ratio for the Merger will not change or otherwise be adjusted based on the market price of GlycoMimetics common stock. Applying the exchange ratio based on GlycoMimetics' capitalization as of September 30, 2024 and Crescent' s capitalization as of October 28, 2024 (the date the Merger Agreement was executed), our current securityholders are expected to own approximately 3 % of the aggregate number of shares of the combined company' s capital stock following the Merger (on a fully- diluted basis), subject to certain assumptions, including, but not limited to, GlycoMimetics' net cash as of closing being equal to \$ 1. 8 million. In the event GlycoMimetics' net cash is below \$ 1. 725 million, the exchange ratio will be adjusted such that the number of shares issued to Crescent' s pre- closing securityholders will be increased, and our stockholders will own a smaller percentage of the combined company following the consummation of the Merger. Any changes in the market price of our stock before the completion of the First Merger will not affect the number of shares our stockholders will be entitled to receive pursuant to the Merger Agreement. Therefore, if before the completion of the First Merger, the market price of our common stock increases from the market price on the date of the Merger Agreement, then our stockholders could receive merger consideration with substantially more value for their shares than the parties had negotiated when they established the exchange ratio. Similarly, if before the completion of the First Merger, the market price of our common stock declines from the market price on the date of the Merger Agreement, then our stockholders could receive merger consideration with substantially lower value. The Merger Agreement does not include a price- based termination right. If the Merger is not completed, our stock price may decline significantly. The market price of our common stock is subject to significant fluctuations. Market prices for securities of pharmaceutical, biotechnology and other life science companies have historically been particularly volatile. In addition, the market price of our common stock will likely be volatile based on whether stockholders and other investors believe that we can complete the Merger or otherwise raise additional capital to support our operations if the Merger is not consummated and another strategic transaction cannot be identified, negotiated and consummated in a timely manner, if at all. The volatility of the market price of our common stock has been and may be exacerbated by low trading volume. Additional factors that may cause the market price of our common stock to fluctuate include: • announcements of the results of our clinical trials, discussions with regulators, and regulatory approvals decisions; • the entry into, or termination of, key agreements, including commercial partner agreements; • announcements by commercial partners or competitors of new commercial products, clinical progress or lack thereof, significant contracts, commercial relationships or capital commitments; • the loss of key employees; • future sales of common stock; • general and industry- specific economic conditions; and • period- to- period fluctuations in financial results. Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company' s securities, stockholders have often instituted class action

securities litigation against such companies. Even if we complete the Merger, the combined company will need to raise additional capital by issuing equity securities or additional debt or through licensing arrangements, which may cause significant dilution to the combined company's stockholders or restrict the combined company's operations. On October 28, 2024, we entered into the Private Placement with certain investors pursuant to which the investors agreed to purchase, in the aggregate, \$ 200.0 million in shares of our common stock and pre-funded warrants immediately following the closing of the Merger. The closing of the Private Placement is conditioned upon the satisfaction or waiver of the conditions to the closing of the Merger as well as certain other conditions. Our shares of common stock and pre-funded warrants to be issued in the Private Placement will result in dilution to all securityholders of the combined company. Additional financing may not be available to the combined company when it is needed or may not be available on favorable terms. To the extent that the combined company raises additional capital by issuing equity securities, such financing will cause additional dilution to all securityholders of the combined company. It is also possible that the terms of any new equity securities may have preferences over the combined company's common stock. Any debt financing the combined company enters into may involve covenants that restrict its operations. These restrictive covenants may include limitations on additional borrowing and specific restrictions on the use of the combined company's assets, as well as prohibitions on its ability to create liens, pay dividends, redeem its stock or make investments. In addition, if the combined company raises additional funds through licensing arrangements, it may be necessary to grant licenses on terms that are not favorable to the combined company. Some of our directors and executive officers have interests in the Merger that are different from yours and that may influence them to support or approve the Merger without regard to your interests. Our directors and executive officers may have interests in the Merger that are different from, or in addition to, the interests of our other stockholders generally. These interests with respect to our directors and executive officers may include, among others, retention bonus payments, extension of exercisability periods of previously issued stock option grants, severance payments if employment is terminated in a qualifying termination in connection with the Merger and rights to continued indemnification, expense advancement and insurance coverage. Our board of directors was aware of and considered those interests, among other matters, in reaching their decisions to approve and adopt the Merger Agreement, approve the Merger, and recommend the approval of the Merger Agreement to our stockholders. These interests, among other factors, may have influenced the directors and executive officers of each company to support or approve the Merger. Certain provisions of the Merger Agreement may discourage third parties from submitting competing proposals, including proposals that may be superior to the transactions contemplated by the Merger Agreement. While the Merger Agreement is in effect, each party is generally prohibited from, among other things, soliciting, initiating or knowingly encouraging, inducing or facilitating the communication, making, submission or announcement of any acquisition proposal or acquisition inquiry. In addition, our current directors and executive officers have entered into support agreements pursuant to the terms of the Merger Agreement, and as an inducement to GlycoMimetics willingness to enter into the Merger Agreement, by which they have agreed to vote all of their shares of our capital stock in favor of the Merger Agreement and the transactions contemplated thereby and against any competing proposals, subject to certain limited exceptions. These provisions could discourage a potential competing acquirer from considering or proposing an acquisition or merger, even if it were prepared to pay consideration with a higher value than that implied by the merger consideration in the combination. Our stockholders will experience significant dilution as a consequence of the Merger and related transactions. The ownership of current stockholders of our company is expected to decrease from 100 % of our common stock to approximately 3 % of the combined company following the Merger and related private placement financing. This reduced ownership interest in the combined company will significantly reduce the influence that our current stockholders will have on the management of the combined company. If the combined company is unable to realize the full strategic and financial benefits currently anticipated from the Merger, our stockholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined company is able to realize only part of the strategic and financial benefits currently anticipated from the Merger. We may fail to realize all of the anticipated benefits of the Merger and may be exposed to other operational and financial risks. The consummation of our proposed Merger with Crescent will require significant time on the part of the Company, and the diversion of the Company's attention may disrupt our business. Our ability to realize the anticipated benefits of the Merger are highly uncertain. Any anticipated benefits will depend on a number of factors, including our ability to integrate our business with that of Crescent and our ability to generate future value for the stockholders of the combined company. The expected benefits may not be achieved within the anticipated time frame, or at all. The consummation of the Merger may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including: • increased near-term and long-term expenditures; • exposure to unknown liabilities; • higher than expected acquisition or integration costs; • incurrence of substantial debt or dilutive issuances of equity securities to fund future operations; • write-downs of assets or goodwill or incurrence of non-recurring, impairment or other charges; • increased amortization expenses; • difficulty and cost in combining Crescent's operations with ours; • impairment of relationships with key suppliers or customers due to changes in management and ownership; • inability to retain employees; and • possibility of future litigation. If we are unable to consummate the Merger with Crescent, our board of directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available for distribution to our stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities. There can be no assurance that we will be able to complete the proposed Merger with Crescent. If the Merger is not completed, our board of directors may decide to pursue a dissolution and liquidation. In such an event, the amount of cash available

for distribution to our stockholders will depend heavily on the timing of such decision and, with the passage of time the amount of cash available for distribution will be reduced as we continue to fund our operations. In addition, if our board of directors were to approve and recommend, and our stockholders were to approve, a dissolution and liquidation, we would be required under Delaware corporate law to pay our outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to our stockholders. As a result of this requirement, a portion of our assets may need to be reserved pending the resolution of such obligations and the timing of any such resolution is uncertain. In addition, we may be subject to litigation or other claims related to a dissolution and liquidation. If a dissolution and liquidation were pursued, our board of directors, in consultation with our advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of our common stock could lose all or a significant portion of their investment in the event of a liquidation, dissolution or winding up. A liquidation would be a lengthy and uncertain process with no assurance of any value ever being returned to our stockholders. We may become involved in litigation, including securities class action litigation, that could divert management's attention and harm our business, and insurance coverage may not be sufficient to cover all costs and damages. In the past, litigation, including securities class action litigation, has often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, or the announcement of negative events, such as negative results from clinical trials. These events may also result in investigations by the SEC. We may be exposed to such litigation, even if no wrongdoing occurred. Litigation is usually expensive, uncertain, and diverts management's attention and resources, which could adversely affect our business and cash resources and our ability to consummate the Merger with Crescent. If we fail to comply or regain compliance with Nasdaq's continued listing standards prior to the consummation of the Merger, our common stock may be delisted and the price of our common stock, our ability to consummate the Merger, our access to the capital markets and our financial condition could be negatively impacted. Our common stock was previously listed on the Nasdaq Global Market, and we were required to meet certain listing requirements, including with respect to minimum closing bid prices, market value of publicly held shares, stockholders' equity and market value of listed securities. In June 2024, we received notice from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, that we were not in compliance with the minimum bid price requirement for continued listing on the Nasdaq Global Market. Pursuant to Nasdaq listing rules, we were provided an initial compliance period until December 18, 2024 to regain compliance. In order to qualify for additional time to regain compliance, we transferred the listing of our common stock from the Nasdaq Global Market to the Nasdaq Capital Market, which became effective as of December 20, 2024. In connection with that transfer, on December 19, 2024, we received notice from Nasdaq that we had been granted an additional 180 calendar days, or until June 16, 2025, to regain compliance with the minimum closing bid price requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550 (a) (2). If necessary to regain compliance with Nasdaq listing standards, we may, subject to approval of our board of directors and stockholders, implement a reverse stock split. However, there can be no assurance that a reverse stock split, or any other alternatives we may consider to regain compliance with the minimum bid price requirement, would be approved or would result in a sustained higher stock price that would allow us to meet the Nasdaq stock price listing requirements. In addition, pursuant to the terms of the Merger Agreement we are required to use commercially reasonable efforts to maintain our listing on Nasdaq until the effective time of the First Merger. Separately, Nasdaq listing rules requires companies listed on the Nasdaq Capital Market to maintain a stockholders' equity of at least \$ 2.5 million. As of December 31, 2024, we had stockholders' equity of \$ 5.3 million. As a result of our expected decrease in stockholders' equity prior to the Merger due to continued net losses, there can be no assurance that we will be able to maintain the minimum required stockholders' equity under the Nasdaq continued listing standards.

Risks Related to Our Financial Position and Capital Needs

We have incurred significant losses since our inception. We expect to continue to incur losses over the next several years and may never achieve or maintain profitability. We have incurred significant losses since our inception and, as of December 31, 2023-2024, we had an accumulated deficit of \$ 456.494.5-4 million. In recent years, we have financed our operations primarily with proceeds from public offerings of our common stock. We have devoted substantially all of our financial resources and efforts to research and development, including preclinical studies and clinical trials. We-However, we have not completed development of any drugs, and in July 2024, following the announcement of the data from our Phase 3 pivotal trial and our discussions with the FDA, we announced that we would initiate a review of strategic alternatives focused on maximizing stockholder value. We also reduced our workforce by approximately 80 % in order to conserve our cash resources as part of a streamlined operating plan while we undertook our strategic review. Following the strategic review, we entered into an acquisition agreement with Crescent to consummate the proposed Merger. In connection with the termination of our clinical programs, our research and development expenses have decreased. We expect to continue to incur costs and expenditures in connection with the merger process. Based on our current operating plan, which includes the ceasing of our clinical development programs, we expect that our current cash and cash equivalents will fund our operations until the closing of the Merger; however, we have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we expect. There can be no assurance that the proposed Merger with Crescent, or any other course of action, business arrangement or transaction, or series of transactions, will be pursued, successfully consummated or lead to increased stockholder value. If we are unable to close the Merger or raise additional capital, we will need to eliminate some or all of our operations or liquidate our company. We expect to continue to incur significant expenses in connection with and operating losses over the next several years. Our net losses may fluctuate significantly from quarter to quarter and year to year. We anticipate that our ongoing expenses will increase substantially and our negative cash flows from operating activities will continue over the next 12 months and beyond as we: ●

conduct our ongoing clinical trials and initiate additional clinical trials of our drug candidates, including the completion of our planned Phase 3 clinical trial of uproleselan and potential submission of an NDA to the FDA; • continue **continuing** the research and preclinical development of our drug candidates; • seek to discover and develop additional drug candidates; • seek regulatory approvals for any drug candidates that successfully complete clinical trials; • ultimately establish a sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize any drugs for which we may obtain regulatory approval; • maintain, expand and protect our intellectual property portfolio; • hire additional clinical, quality control, regulatory and scientific personnel; • add operational, financial and management information systems and personnel, including personnel to support our drug development and planned future commercialization efforts; and • incur legal, accounting, insurance and other expenses in operating **operate** as a public company. **If we were to resume clinical development activities in the future, we would expect to incur significant additional expenses and operating losses.** To become and remain profitable, we must succeed in developing and eventually commercializing drugs that generate significant revenue. This **will would** require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our drug candidates, obtaining regulatory approval for these drug candidates and manufacturing and commercializing any drugs for which we may obtain regulatory approval, as well as discovering additional drug candidates. ~~We are only~~ **If we were to resume our development programs, we may never succeed** in the preliminary stages of most of these activities. ~~We may never succeed in these activities and, even if we do did, we~~ may never generate revenue that is significant enough to achieve profitability. **22Even** in the case of uproleselan and GMI-1687, our ability to generate revenue is partially dependent upon the achievement of development, regulatory and commercial milestones and sales sufficient to generate royalties under our license agreement with Apollomics, and the achievement of such milestones is largely out of our control. If Apollomics fails, or chooses not to continue, to further develop, to seek regulatory approval for or to commercialize uproleselan in Greater China, our ability to generate revenue with respect to uproleselan may be significantly reduced or eliminated. Because of the numerous risks and uncertainties associated with drug development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, ~~we~~ will be able to achieve profitability. If we are required by regulatory authorities to perform studies in addition to those currently expected, or if there are any delays in completing our clinical trials or the development of any of our drug candidates, our expenses could increase. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts or even continue our operations. A decline in the value of our company could also result in significant harm to our financial position and adversely affect our stock price. ~~We will~~ **If we decide to resume development of our drug candidates, we would** need substantial additional funding ~~to pursue our business objectives.~~ If we ~~are were~~ unable to raise **that** capital when needed, we may not be able to continue as a going concern and could be forced to delay, reduce or eliminate our drug development programs or potential commercialization efforts. **If** ~~We believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements through the fourth quarter of 2024. However, we were will need to~~ **resume development of drug candidates,** obtain substantial additional funding in connection with our ~~continuing operations.~~ Our future capital requirements ~~will would~~ depend on many factors, including: • the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials ~~for our drug candidates;~~ • the number and development requirements of other drug candidates that we may pursue; • the costs, timing and outcome of regulatory review of our drug candidates; • the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our drug candidates for which we receive marketing approval; • the revenue, if any, received from commercial sales of our drug candidates for which we receive marketing approval; • the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property- related claims; and • the extent to which we acquire or in- license other drug candidates and technologies. Our management must periodically evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern. Based on our current cash position, our ongoing significant operating losses and the fact that we do not have any committed sources of revenue or cash flows other than potential payments from our license and collaboration agreements, management believes that, given our current cash position, there is substantial doubt about our ability to continue as a going concern beyond the date that is one year from the date that the financial statements included in this Annual Report were issued. Identifying potential drug candidates and conducting preclinical testing and clinical trials is a time- consuming, expensive and uncertain process that takes years to complete, and we or any current or future collaborators may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. In addition, ~~our~~ drug candidates, if approved, may not achieve commercial success. Accordingly, **if we were to resume development activities,** our ability to fund our operations ~~is would be~~ dependent upon management' s plans, which **could** include raising additional capital ~~in the near term primarily~~ through a combination of equity and debt financings, collaborations and strategic alliances. **However, There there** can be no assurances that new financings or other transactions will be available to us on commercially acceptable terms, or at all. Our ability to raise additional capital ~~may could~~ also be adversely impacted by global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide. If we are unable to raise capital to fund our operations when needed or on attractive terms, we could be forced to delay, reduce the scope of or eliminate our research and development programs or any future commercialization efforts, ~~which would have a material adverse effect on our business, financial condition, results of operations and ability to operate as a going concern.~~ Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our drug candidates. **If** ~~Until such time, if ever, as we were to resume~~ **can** generate substantial revenue from the sale of our ~~drugs~~ **development activities,** we **would** expect to finance our cash needs through a combination of equity offerings, debt financings and license and development agreements **until such time, if ever, as we could generate substantial commercial**

revenues. We do not currently have any committed external source of funds other than possible milestone payments and possible royalties under our license agreement with Apollomics. To the extent that we raise additional capital through the sale of equity or ~~26convertible~~ **convertible** debt securities, your ownership interest ~~will~~ **would** be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we **were** **to** raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our research programs or drug candidates or grant licenses on terms that may not be favorable to us or that may be at less than the full potential value of such rights. If we are unable to raise additional funds through equity or debt financings or other arrangements with third parties when needed, we may be required to delay, limit, reduce or terminate our drug development or future ~~commercialization~~ **23commercialization** efforts or grant rights to third parties to develop and market drug candidates that we would otherwise prefer to develop and market ourselves. Our ability to use net operating losses to offset future taxable income may be subject to limitations. As of December 31, 2023, we had federal and state net operating loss carryforwards of \$ 322.5 million, research and development tax credit carryforwards of \$ 10.9 million and \$ 42.3 million of orphan drug tax credit carryforwards. The federal and state net operating loss carryforwards will begin to expire, if not utilized, beginning in 2026, the research and development tax credits in 2024 and the orphan drug tax credit in 2033. These net operating loss and tax credit carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under federal income tax laws, federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We could experience ownership changes in the future that would limit our ability to use our net operating loss carryforwards.

Risks Related to the Discovery and Development of Our Drug Candidates Our **Candidates Should** research and **we resume** development **is of our drug candidates, our** focused **focus** on discovering and developing novel glycomimetic drugs, **and we are taking an and innovative our** approach to discovering and developing drugs, **which** may never lead to marketable drugs. A key element of our **prior development** strategy **is was** to use and expand our platform to build a pipeline of novel glycomimetic drug candidates and progress these drug candidates through clinical development for the treatment of a variety of diseases. The discovery of therapeutic drugs based on molecules that mimic the structure of carbohydrates is an emerging field, and the scientific discoveries that form the basis for our **past** efforts to discover and develop drug candidates are relatively new. The scientific evidence to support the feasibility of developing drug candidates based on these discoveries is both preliminary and limited. Although our research and development efforts **to date have** resulted in a pipeline of glycomimetic drug candidates, we **were may not be able unable** to **develop** **successfully progress those** drug candidates **through clinical trials** that are safe and effective. **If** Even if we **were** are **successful in continuing to build resume** our **pipeline development activities**, the **potential** drug candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize drug candidates based upon our glycomimetics platform, we will not be able to obtain product revenue in future periods. **If we were to resume development activities, we** which likely would **need** result in significant harm to **conduct additional** our financial position and adversely affect our stock price. We have **only one drug candidate in a late-stage clinical trial trials**. All of our other drug candidates **are other than uproleselan were** in earlier stages of clinical trials or in preclinical development. **If we or our collaborators are unable to commercialize our drug candidates or experience significant delays in doing so, our business will be materially harmed.** Uproleselan is our only drug candidate that **is was recently** in a Phase 2 or Phase 3 clinical trial. **In the second quarter of 2024, we announced results of our pivotal Phase 3 clinical trial of uproleselan in R / R AML. The study of uproleselan combined with chemotherapy did not meet its primary endpoint of overall survival in the intent to treat population. Following the announcement of the data from the Phase 3 trial, we requested and held a meeting with the FDA to discuss whether any of the results summarized above could serve as a basis for a submission for regulatory approval. Based on the feedback received, we concluded that any potential regulatory path for uproleselan in this patient population would require an additional clinical trial, the conduct of which would require capital resources beyond those available to us.** Our other drug candidates **are were** in earlier stages of clinical trials or in preclinical development. We have not completed the development of any drug candidates, we currently generate no revenue from the sale of any drugs, **and even if we were to resume our development activities,** we may never be able to develop a marketable drug. As a company, we have no experience in submitting and obtaining FDA approval for an NDA and, even if our uproleselan trials are successful, FDA may disagree with our interpretation of the data and our NDA may receive either a refusal to file letter or complete response letter. We have **previously** invested substantially all of our efforts and financial resources in the development of our glycomimetics platform, the identification of potential drug candidates ~~27using~~ **using** that platform and the development of our drug candidates. **Our If we were to resume development, our** ability to generate revenue from our other drug candidates, **would** which we do not expect to occur for many years, if ever, will depend heavily on their successful development and eventual commercialization. The success of those drug candidates **will would** depend on several factors, including: • successful completion of preclinical studies and clinical trials; • receipt of marketing approvals from applicable regulatory authorities; • obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates; • making arrangements with third-party manufacturers for, or establishing, commercial manufacturing capabilities; • launching commercial sales of the drugs, if and

when approved, whether alone or in collaboration with others; • acceptance of the drugs, if and when approved, by patients, the medical community and third- party payors; • effectively competing with other therapies; • obtaining and maintaining healthcare coverage and adequate reimbursement; **24** • protecting our rights in our intellectual property portfolio; and • maintaining a continued acceptable safety profile of the drugs following approval. ~~If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which would materially harm our business.~~ Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. ~~We~~ **Should we resume development of our drug candidates, we** may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates. The risk of failure of our drug candidates is high. It is impossible to predict when or if any of our drug candidates will prove safe or effective in humans or will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we or a collaborator must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of the drug candidate in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. **For example, in May 2024, we announced results of our pivotal Phase 3 clinical trial of uproleselan in R / R AML. Even though we observed favorable results in earlier trials of uproleselan, uproleselan combined with chemotherapy did not meet the primary endpoint of overall survival in the intent to treat population in our Phase 3 trial.** A failure of one or more clinical trials can occur at any stage of development. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. In addition, changes in patient treatment options over time may make the relevance of historical control data for a given indication less relevant to the drug candidate being studied, which could impact the success of the trial or, even if successful, the desirability of a successful drug candidate versus other available treatment options. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their drug candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drugs. ~~We~~ **If we were to resume development activities, we** or our current or future collaborators may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our or their ability to receive marketing approval or commercialize our drug candidates, including: • regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site; • we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites; • clinical trials of our drug candidates may produce negative or inconclusive results, including failure to demonstrate statistical significance, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs **as we have done with respect to uproleselan following the Phase 3 pivotal clinical trial**; **28** • the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate; • our third- party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all; • regulators or institutional review boards may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks; • the cost of clinical trials of our drug candidates may be greater than we anticipate; • the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate; and • our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or institutional review boards to suspend or terminate the trials. ~~If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these clinical trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:~~ • be delayed in obtaining marketing approval for our drug candidates; • not obtain marketing approval at all; • obtain approval for indications or patient populations that are not as broad as intended or desired; • obtain approval with labeling that includes significant use or distribution restrictions or safety warnings; • be subject to additional post- marketing testing requirements; or • have the drug removed from the market after obtaining marketing approval. ~~Our~~ **25** ~~Our~~ drug development costs ~~will~~ **would** also increase if we experience delays in testing or marketing approvals. ~~We do not know whether any of our preclinical~~ **Preclinical** studies or clinical trials ~~will~~ **may not** begin as planned, ~~will~~ **could** need to be restructured or ~~will~~ **may not** be completed on schedule, or at all. Significant preclinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before we do, and thereby impair our ability to successfully commercialize our drug candidates. ~~If~~ **Should we resume development of our drug candidates,** serious adverse or unacceptable side effects ~~are~~ **could be** identified during, ~~in which case we would need to abandon or limit the their~~ development. **If we were to resume the development** of our drug candidates ~~and~~, ~~we may need to abandon or limit the those~~ **development of some of our drug candidates.** If our drug candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may need to abandon their development or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk- benefit perspective. Many drug candidates that initially showed promise in early - stage testing have later been found to cause side effects that prevented their further development. ~~We~~ **If we were to resume development of our drug candidates, we** may expend our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may be more profitable or for which there is a greater likelihood of success. ~~Because~~ **Even if we resume our drug development activities, we would** have limited financial and management resources ; ~~we~~ **and as a result would need to** focus on a limited number of research programs and drug candidates. As a result, we may

forego or delay pursuit of opportunities with other drug candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions ~~may could~~ cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on ~~current and future~~ research and development programs and drug candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights. ~~29Risks~~ **Risks** Related to Our Dependence on Third Parties ~~Our Parties~~ **Should we resume development activities, our** success ~~would depends~~ **depend** in part on ~~current and future~~ collaborations. If we are unable to maintain any of these collaborations, or if these collaborations are not successful, our business could be adversely affected. ~~We have~~ **Even before our decision to cease development activities, we had** limited capabilities for drug development and do not ~~yet~~ have any capabilities for sales, marketing or distribution. **If we were to resume drug development, we expect that we would need to engage collaborators to support our operations.** We cannot assure you that ~~our current or future~~ collaborators will develop our drug candidates in a timely manner, or at all, or, if regulatory approval for a drug candidate is achieved, that such collaborator will successfully commercialize the candidate. Any collaborations we might enter into may pose a number of risks, including: ● collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations; ● collaborators may not perform their obligations as expected; ● collaborators may not pursue the commercialization of any drug candidates that achieve regulatory approval or may elect not to pursue, continue or renew development or commercialization of drug candidates based on clinical trial results, changes in such collaborators' strategic focus or available funding or external factors, such as an acquisition, that divert resources or create competing priorities; ● collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing; **26** ● collaborators could experience delays in initiating or conducting clinical trials for any number of reasons; ● collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our drugs or drug candidates if such collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours; ● drug candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own drug candidates or drugs, which may cause such collaborators to cease to devote resources to the commercialization of our drug candidates; ● a collaborator with marketing and distribution rights to one or more of our drug candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such drug or drugs; ● disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of drug candidates, might lead to additional responsibilities for us with respect to drug candidates or might result in litigation or arbitration, any of which would be time consuming and expensive; ● collaborators may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation; ● collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and ● collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable drug candidates. ~~We are seeking licensing partners for development of GMI-1359.~~ If any collaborations we might enter into do not result in the successful development and commercialization of drugs, or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. For example, in 2020, our former collaborator Pfizer terminated its license agreement with us for the ~~30worldwide~~ **worldwide** development and commercialization of our prior drug candidate rivipansel, thereby eliminating our right to receive any future development or commercialization milestones or royalty payments for sales of that drug candidate. In addition, even if we are eligible to receive any such payments from a collaborator, they could be substantially delayed. If we do not receive the funding we expect under these agreements, the development of our drug candidates could be delayed and we may need additional resources to develop our drug candidates. All of the risks relating to drug development, regulatory approval and commercialization described in this report also apply to the activities of our collaborators. If a current or future collaborator of ours is involved in a business combination, the collaborator might deemphasize or terminate development or commercialization of any drug candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our reputation in the business and financial communities could be adversely affected. We may in the future determine to collaborate with pharmaceutical and biotechnology companies for their development and potential commercialization of our drug candidates. We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of a collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and ~~commercialization~~ **27commercialization** activities, we may not be able to further develop our drug candidates or bring them to market, which would impair our business prospects. ~~We~~ **Should we resume development of our drug candidates, we would** expect to rely on third parties to conduct

~~additional our future~~ clinical trials for ~~our~~ drug candidates, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials. We ~~have previously~~ engaged a third- party contract research organization, or CRO, to conduct our ~~ongoing and planned~~ clinical trials for uproleselan ~~and~~. **If we were to resume clinical development, we would** expect to engage CROs with respect to any **further clinical trials of uproleselan or any** of our other drug candidates that may progress to clinical development. We **would also** expect ~~to continue~~ to rely on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, to conduct those clinical trials. Agreements with such third parties might terminate for a variety of reasons, including a failure to perform by the third parties. If we need to enter into alternative arrangements, that would delay our drug development activities. Our reliance on these third parties for research and development activities ~~will would~~ reduce our control over these activities, but ~~will would~~ not relieve us of our responsibilities. For example, we ~~will would~~ remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices, or GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government- sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and significant civil and criminal sanctions. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our drug candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our drug candidates. We also expect to rely on other third parties to store and distribute drug supplies for ~~our any further~~ clinical trials ~~that we were to conduct~~. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our drug candidates or commercialization of our drugs, producing additional losses and depriving us of potential revenue. ~~31~~ ~~We previously contract contracted~~ with third parties for the manufacturing of our drug candidates for preclinical and clinical testing, and **if we were to resume development activities and pursue commercialization, we would** expect to continue to do so ~~for commercialization~~. This reliance on third parties increases the risk that we ~~will would~~ not have sufficient quantities of our drug candidates or drugs, or such quantities at an acceptable cost, which could delay, prevent or impair our **potential** development or commercialization efforts. We do not have any manufacturing facilities or personnel. We **have in the past relied** ~~rely, and expect to continue to rely,~~ on third parties for the manufacturing of our drug candidates for preclinical and clinical testing, as well as for **potential** commercial manufacture ~~if any of~~. **If we were to resume** our drug candidates receives marketing approval ~~development activities, we would need to re- engage those third parties~~. Our reliance on third parties ~~would increase- increase~~ the risk that we will not have sufficient quantities of our drug candidates or drugs, or such quantities at an acceptable cost or quality, which could delay, prevent or impair our ability to timely conduct ~~our~~ clinical trials or our other **potential** development or commercialization efforts. We **would** also expect to rely on third- party manufacturers or third- party collaborators for the manufacturing of commercial supply of any other drug candidates for which we or our collaborators obtain marketing approval. For example, in January 2024 we entered into an agreement with Patheon Manufacturing Services LLC, or Patheon, for manufacture and supply of uproleselan for commercial sale ~~should we receive marketing approval from the FDA~~. Pursuant to the agreement, Patheon ~~will was to~~ manufacture commercial quantities of injectable uproleselan from active pharmaceutical ingredient we ~~were to~~ supply ~~under a separate agreement for the manufacture of drug substance with another third- party manufacturer, Carbogen Ameis AG~~. We ~~28~~ **If we were to resume our development activities, we** may be unable to establish any agreements with third- party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third- party manufacturers, reliance on third- party manufacturers entails additional risks, including: ● reliance on the third party for regulatory compliance and quality assurance; ● the possible breach of the manufacturing agreement by the third party; ● the possible misappropriation of our proprietary information, including our trade secrets and know- how; and ● the possible termination or non- renewal of the agreement by the third party at a time that is costly or inconvenient for us. Third- party manufacturers may not be able to comply with current good manufacturing practices, or cGMP, regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third- party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our drugs. In addition, in the event that any of our third- party manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on commercially reasonable terms, if at all. ~~We do not currently have arrangements in place for redundant supply or a second source for bulk drug substance~~. If our ~~current~~ contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers and we may incur added costs and delays in identifying and qualifying any such replacement. Any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop our drug candidates in a timely manner or within budget. Our ~~current and anticipated future~~ dependence upon others for the manufacturing of our drug candidates or drugs may adversely affect ~~our future profit margins and~~ our ability to commercialize any drugs that receive marketing approval on a timely and

competitive basis. **Risks Related to the Potential Commercialization of Our Drug Candidates** 32 We, or our third-party manufacturers, may be unable to successfully scale-up manufacturing of our drug candidates in sufficient quality and quantity, **if any of those** which would delay or prevent us from conducting our ongoing and planned clinical trials and developing our drug candidates **were**. In order to **receive** conduct our ongoing and planned clinical trials of our drug candidates, we will need to manufacture them in large quantities. We, or our manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our drug candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we or our manufacturing partners are unable to successfully scale up the manufacture of our drug candidates in sufficient quality and quantity, the development, testing and clinical trials of that drug candidate may be delayed or become infeasible, and marketing approval or commercial launch of any resulting drug may be delayed or not obtained, which could significantly harm our business. Our business could be adversely affected by the effects of health epidemics or pandemics in regions where we or third parties on whom we rely have significant manufacturing facilities, clinical trial sites or other business operations. Our business could be adversely affected by health epidemics or pandemics in regions where we have concentrations of clinical trial sites or other business operations and could cause significant disruption in the operations of third-party collaborators, manufacturers and CROs upon whom we rely. Quarantines, shelter-in-place, stay-at-home, executive and similar government orders—or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur—could impact personnel at third-party manufacturing facilities in the United States and other countries, or the availability or cost of materials, which would disrupt our supply chain. For example, any manufacturing supply interruption of uproselan, which is currently manufactured at facilities in Switzerland and China, could adversely affect our ability to conduct ongoing and future clinical trials of uproselan. **Risks Related to the Commercialization of Our Drug Candidates** Even if any of our drug candidates receives marketing approval, it may **still** fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success. **If We do not intend to continue development of uproselan or any of our other product candidates. However, should we decide to resume development activities and** any of our drug candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from drug sales and we may not become profitable. The degree of market acceptance of our drug candidates, **even** if approved for commercial sale, **will/would** depend on a number of factors, including: • the efficacy and potential advantages compared to alternative treatments; • our ability to offer our drugs for sale at competitive prices; • the convenience and ease of administration compared to alternative treatments; • the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies; • the strength of marketing and distribution support; **29** • the availability of third-party coverage and adequate reimbursement; • the prevalence and severity of any side effects; and • any restrictions on the use of our drugs together with other medications. **33** **If Should** we are unable **resume development of our drug candidates, we would need** to establish sales, marketing and distribution capabilities for our drug candidates **and**, we may not be successful in commercializing those drug candidates if **and when they are approved. We do** **Even prior to our decision to cease drug development and commercialization activities, we did** not have a sales or marketing infrastructure and **have had** no experience in the sale, marketing or distribution of pharmaceutical drugs. **If To achieve commercial success for any drug candidate for which we may obtain marketing approval were to resume development**, we **will/would** need to establish a sales and marketing organization to market or co-promote **such any** drugs **that achieve marketing approval**. There are risks involved with establishing **our own** sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel. **Other Factors** **factors** that **may could** inhibit our efforts to commercialize **our** drugs on our own include: • our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel; • the inability of sales personnel to obtain access to physicians or our failure to educate adequate numbers of physicians on the benefits of any future drugs; • the lack of complementary drugs to be offered by sales personnel, which **may could** put us at a competitive disadvantage relative to companies with more products; and • unforeseen costs and expenses associated with creating an independent sales and marketing organization. If we are unable to establish our own sales, marketing and distribution capabilities and therefore enter into arrangements with third parties to perform these services, our revenue and our profitability, if any, **are would** likely to be lower than if we were to sell, market and distribute any drugs that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our drug candidates or may be unable to do so on terms that are favorable to us. We likely **will/would** have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drugs effectively. **If Even if we were to resume drug development, in the event that** we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we **will/would** not be successful in commercializing our drug candidates. **We Even if we were to resume drug development, we would** face substantial competition, which may result in others discovering, developing or commercializing drugs before or more successfully than we do. The development and commercialization of new drugs is highly competitive. We **have face faced** competition with respect to our **current** drug candidates, and **should** we **will resume drug development we would** face competition with respect to any drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies, biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Should any competitors' drug candidates receive regulatory or marketing approval prior to ours, they may establish a strong market position and diminish the need for our drug candidates. The key competitive factors affecting the

success of all of our drug candidates, if approved, are likely to be their safety, efficacy, convenience, price, the level of generic competition and the availability of coverage and reimbursement from government and other third- party payors. ~~As described above under “Business — Competition,” we expect that our drug candidates will compete with approved therapies and those currently in development by other companies.~~ To the extent that competitive drugs or drug candidates developed by others are successful in treating our target indications, it ~~could~~ **would** reduce the market opportunity for our drug candidates. Many of the companies ~~against which we are competing, or~~ against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical and ~~biotechnology~~ **30biotechnology** industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early ~~stage~~ **stage** companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. ~~Our~~ **34Our** ~~Our~~ **Our** commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, because we have no patents with respect to our glycomimetics platform, our competitors may use our methods, or acquire similar expertise, in order to develop glycomimetic drug candidates and progress these drug candidates through clinical development and commercialization, which could impair our ability to successfully commercialize our drug candidates or otherwise limit our commercial opportunities. Even if we or our collaborators are able to commercialize any of our drug candidates, the drugs may become subject to unfavorable pricing regulations or third- party coverage and reimbursement policies. Our and our collaborators’ ability to commercialize any of our drug candidates successfully ~~will~~ **would** depend, in part, on the extent to which coverage and adequate reimbursement for these drugs and related treatments will be available from government payor programs at the federal and state levels authorities, including Medicare and Medicaid, private health insurers, managed care plans and other organizations. Government authorities and third- party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U. S. healthcare industry and elsewhere is cost containment. Government authorities and third- party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third- party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. Coverage and reimbursement may not be available for any drug that we or our collaborators commercialize and, even if these are available, the level of reimbursement may not be satisfactory. Inadequate reimbursement levels may adversely affect the demand for, or the price of, any drug candidate for which we or our collaborators obtain marketing approval. Obtaining and maintaining adequate reimbursement for our drugs may be difficult. We may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we or our collaborators may not be able to successfully commercialize any drug candidates for which marketing approval is obtained. There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the indications for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third- party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. However, one payor’ s determination to provide coverage for a drug does not assure that other payors will also provide coverage for the drug. Our or our collaborators’ inability to promptly obtain coverage and adequate reimbursement rates from both government- funded and private payors for any approved drugs that we develop could adversely affect our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition. The regulations that govern marketing approvals, pricing, coverage and reimbursement for new drugs vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that ~~could~~ **31could** involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we or our collaborators might obtain marketing approval for a drug in a particular country, but then be subject to price regulations that delay commercial launch of the drug, possibly for lengthy time periods, and negatively impact our ability to generate revenue from the sale of the drug in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval. ~~35There~~ **35There** can be no assurance that our drug candidates, if they are approved for sale in the United States or in other countries, will be considered medically reasonable and necessary for a specific indication, that they will be considered cost- effective by third- party payors, that coverage or an adequate level of reimbursement will be available or that

third-party payors' reimbursement policies will not adversely affect our ability to sell our drug candidates profitably if they are approved for sale. Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any drugs that we may develop. We face an inherent risk of product liability exposure related to the testing of our drug candidates in human clinical trials, and will face an even greater risk if we commercially sell any drugs that we may develop. If we cannot successfully defend ourselves against claims that our drug candidates or drugs caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in: ● decreased demand for any drug candidates or drugs that we may develop; ● injury to our reputation and significant negative media attention; ● withdrawal of clinical trial participants; ● significant costs to defend the related litigation; ● substantial monetary awards paid to trial participants or patients; ● loss of revenue; ● reduced resources of our management to pursue our business strategy; and ● the inability to commercialize any drugs that we may develop. We ~~carry~~ **have carried** clinical trial insurance coverage in an amount that we believe ~~is was~~ sufficient in relation to our clinical trials ~~being that were~~ conducted in the United States and in foreign countries where we ~~had~~ **have or plan to have** sites ~~as part of our clinical trials for uproleselan~~. The use of our drug candidates in clinical trials may result in liability claims for which our ~~current~~ insurance would not be adequate to cover all liabilities that we may incur. In addition, **if we were to resume drug development activities**, we may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our drug candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. **Risks 32Risks** Related to Our Intellectual **PropertyIf PropertyShould** we **resume drug development activities but** are unable to obtain and maintain patent protection for our drug candidates, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize our drug candidates may be impaired. ~~Our~~ **If we elect to resume our drug development activities, our** success **would** depend in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our drug candidates. We ~~seek~~ **have in the past sought** to protect our proprietary position by filing patent applications in the United States and abroad related to our **drug candidates and would need to maintain our intellectual property rights should we decide to further pursue the development of any of those** drug candidates. The patent prosecution process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. For example, European patent law restricts the patentability of methods of treatment of the human body more than U. S. law does. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent ~~36applications--~~ **applications** in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our ~~pending and future~~ patent applications may not result in patents being issued that protect our drug candidates, in whole or in part, or which effectively prevent others from commercializing competitive drug candidates. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy- Smith America Invents Act, or the Leahy- Smith Act, was signed into law. The Leahy- Smith Act includes a number of significant changes to U. S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy- Smith Act, and many of the substantive changes to patent law associated with the Leahy- Smith Act, and in particular, the first to file provisions, became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy- Smith Act will have on the operation of our business **if we were to continue the development of our drug candidates**. However, the Leahy- Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition. Moreover, we may be subject to a third-party preissuance submission of prior art to the U. S. Patent and Trademark Office, or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our drug candidates and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize drugs without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates. ~~Even 33Even~~ if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative drug candidates in a non-infringing manner. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United

States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical drug candidates, or limit the duration of the patent protection of our drug candidates. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drugs similar or identical to ours. We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful. Competitors may infringe our issued patents or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. ~~37~~~~We~~~~We~~ may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms. A third party may hold intellectual property, including patent, rights that are important or necessary to the development of our drug candidates **should we elect to resume such activities**. It may be necessary for us to use patented or proprietary technology of third parties to commercialize our drug candidates, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially. Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business. ~~Our~~~~If we were to resume drug development, our~~ commercial success **would depend**~~depend~~ upon our ability, and the ability of our collaborators, to develop, manufacture, market and sell our drug candidates without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates, including interference or derivation proceedings before the USPTO. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our drug candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing drug. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. ~~We~~~~34~~~~We~~ may be subject to claims by third parties asserting that we or our employees have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property. Many of our **current and former** employees were previously employed at universities or other biotechnology or pharmaceutical companies. Although we ~~try~~~~have tried~~ to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these employees or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. In addition, while it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our ~~and their~~ assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management. Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for **potential** development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively ~~38~~~~than~~~~than~~ we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. In addition to seeking patents for our drug candidates, we **have** also ~~rely~~~~relied~~ on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our **historical** competitive position. For example, our platform ~~is~~~~was~~ based on trade secrets that consist largely of expertise in carbohydrate chemistry and knowledge of carbohydrate biology. We do not believe that we can obtain patent protection for our platform. Thus, our competitors may use our methods, or acquire similar

expertise, in order to develop glycomimetic drug candidates and progress these drug candidates through clinical development and commercialization, which could impair our ability to successfully commercialize our drug candidates. We ~~seek~~ **have sought** to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We **have** also ~~enter~~ **entered** into confidentiality and invention or patent assignment agreements with our **current and former** employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of ~~our~~ **35our** trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. Risks Related to Regulatory Approval of Our Drug Candidates and Other Legal Compliance ~~Matters~~ **Matters** ~~Should we resume development of our drug candidates but~~ we or our collaborators are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we or they ~~will~~ **would** not be able to commercialize our drug candidates and our ability to generate revenue ~~will~~ **would** be materially impaired. ~~Our~~ **In the event that we resume development of our** drug candidates ~~and,~~ the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, ~~are~~ **would be** subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by the EMA and similar regulatory authorities outside the United States. Failure to obtain marketing approval for a drug candidate ~~will~~ **would** prevent us or our collaborators from commercializing the drug candidate. We have not received approval to market any of our drug candidates from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and **would** expect to rely on third-party CROs to assist us in this process. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the drug candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, applicable regulatory authorities. Our drug candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our ability to obtain marketing approval or prevent or limit commercial use. If any of our drug candidates receives marketing approval, the accompanying label may limit the approved use of our drug, which could limit sales of the drug. The process of obtaining marketing approvals, both in the United States and abroad, is expensive and may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the drug candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations or changes in regulatory review for each submitted drug application may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application, or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or ~~39prevent~~ **prevent** marketing approval of a drug candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved drug not commercially viable. If we **resume development activities but** experience delays in obtaining approval or if we fail to obtain approval of our drug candidates, the commercial prospects for our drug candidates may be harmed and our ability to generate revenue will be materially impaired. Even though we ~~have~~ **previously** obtained Orphan Drug designation for several of our drug candidates, we may not be able to obtain orphan drug marketing exclusivity for these or any of our other drug candidates **should we resume their development**. Regulatory authorities in some jurisdictions, including the United States and the European Union, or EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. We ~~have~~ **previously** obtained Orphan Drug designation from the FDA for ~~some~~ **some** ~~orphan drugs for the treatment of~~ **our drug candidates** AML, as well as for GMI-1359 for the treatment of osteosarcoma. However, in order to obtain marketing exclusivity in a particular jurisdiction, we must receive the first marketing approval of the drug for its intended indication. In addition, the orphan designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process. Generally, if a drug with an orphan designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the ~~FDA~~ **36FDA** or the EMA from approving another marketing application for the same drug for the same indication for that time period. The applicable period is seven years in the United States and 10 years in the EU. The EU exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or the EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Even ~~if~~ **though** we ~~have~~ **obtain** ~~obtained~~ orphan drug exclusivity for a drug candidate, that exclusivity may not effectively protect the candidate from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve another drug with the same active moiety for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. ~~The~~ **Even if we were to resume the development of**

uproleselan, the FDA fast track designation and additional breakthrough therapy designation for uproleselan may not actually lead to a faster development or regulatory review or approval process. If a drug is intended for the treatment of a serious or life-threatening disease or condition and the drug demonstrates the potential to address unmet medical needs for this disease or condition, the drug sponsor may apply for the FDA fast track designation. If fast track designation is obtained, the FDA may initiate review of sections of a NDA before the application is complete. This “rolling review” is available if the applicant provides, and the FDA approves, a schedule for submission of the individual sections of the application. Although we **have previously** obtained a fast track designation from the FDA for uproleselan to treat AML and breakthrough therapy designation for uproleselan to treat AML, **even if we were to continue to advance uproleselan toward potential regulatory approval**, we may not experience a faster development process, review or approval compared to conventional FDA procedures. Our fast track designation may be withdrawn by the FDA if it believes that the designation is no longer supported by data from our clinical development programs. Our fast track designation does not guarantee that we will qualify for or be able to take advantage of the expedited review procedures or ~~that we will ultimately~~ obtain regulatory approval of uproleselan. Failure to obtain marketing approval in international jurisdictions would prevent our drug candidates from being marketed abroad. In order to market and sell our drugs in the EU and any other jurisdictions, we or our collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the drug be approved for reimbursement before it can be approved for sale in that country. ~~We or~~ **If we resume development activities, we or** ~~our~~ **or our** ~~40collaborators~~ **collaborators** may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, failure to obtain approval in one jurisdiction may impact our ability to obtain approval elsewhere. We or our collaborators may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our drugs in any market. **A Should we resume drug development activities, a** variety of risks associated with developing and marketing our drug candidates internationally could hurt our business. ~~We~~ **If we were to continue the development of our drug candidates, we** or our collaborators may seek regulatory approval for uproleselan and our other drug candidates outside of the United States and, accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including: • differing regulatory requirements in foreign countries; **37** • the potential for so-called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from a foreign market with low or lower prices rather than buying them locally; • unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements; • economic weakness, including inflation or political instability in particular foreign economies and markets; • compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; • foreign taxes, including withholding of payroll taxes; • foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations related to doing business in another country; • difficulties staffing and managing foreign operations; • workforce uncertainty in countries where labor unrest is more common than in the United States; • potential liability under the Foreign Corrupt Practices Act or comparable foreign regulations; • challenges enforcing our contractual and intellectual property rights, especially in foreign countries that do not respect and protect intellectual property rights to the same extent as the United States; • production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and • business interruptions resulting from pandemic, epidemic or disease outbreaks or geo-political actions, including war and terrorism. ~~Pursuant to the terms of our collaboration and license agreement, Apollomics is responsible for the clinical development and commercialization of uproleselan and GMI-1687 in Greater China. Any delay or disruptions in clinical development could result in the delay of any potential milestone payments to us under the license and collaboration agreement, which could have a material adverse effect on our financial position and results of operations.~~ Any drug candidate for which we obtain marketing approval could be subject to post-marketing restrictions or recall or withdrawal from the market, and we may therefore be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our drug candidates, when and if any of them are approved. Any drug candidate for which we obtain marketing approval, along with manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such drug candidate, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a ~~41drug~~ **drug** candidate is granted, the approval may be subject to limitations on the indicated uses for which the drug may be marketed or to the conditions of approval, including the requirement to implement a risk evaluation and mitigation strategy. If any of our drug candidates receives marketing approval, the accompanying label may limit the approved use of our drug, which could limit its sales. The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the drug. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers’ communications regarding off-label use, and if we do not market our drugs for their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer

protection laws. In addition, later discovery of previously unknown adverse events or other problems with our drugs, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may have negative consequences, including: ● restrictions on such drugs, manufacturers or manufacturing processes; **38** ● restrictions on the labeling or marketing of a drug; ● restrictions on product distribution or use; ● requirements to conduct post- marketing studies or clinical trials; ● warning letters; ● recall or withdrawal of the drugs from the market; ● refusal to approve pending applications or supplements to approved applications that we submit; ● clinical holds; ● fines, restitution or disgorgement of revenue or profit; ● suspension or withdrawal of marketing approvals; ● refusal to permit the import or export of our drugs; ● product seizure; or ● injunctions or the imposition of civil or criminal penalties. Non- compliance with the EU requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of drugs for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the EU’ s requirements regarding the protection of personal information can also lead to significant penalties and sanctions. Our ~~current and future~~ business and relationships with customers and third- party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security and other healthcare laws and regulations, which could expose us to significant penalties, including criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings. Healthcare providers and third- party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our current and future arrangements with third- party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti- Kickback Statute and the federal False Claims Act, which may constrain the business or financial arrangements and relationships through which we conduct clinical research, sell, market and distribute any drugs for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient data privacy and security regulation by the U. S. federal and state governments ~~42and~~ **and** by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include: ● the federal Anti- Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs, such as Medicare and Medicaid; ● federal civil and criminal false claims laws, including the federal False Claims Act, which impose criminal and civil penalties, including civil whistleblower or qui tam actions, and civil monetary penalty laws that prohibit individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; **39** ● the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; ● HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose obligations on covered healthcare providers, health plans, and healthcare clearinghouses, as well as their business associates and covered subcontractors that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; ● the federal Open Payments program, pursuant to the Physician Payments Sunshine Act, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’ s Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to “ payments or other transfers of value ” made to physicians, which is defined to include doctors, dentists, optometrists, podiatrists and chiropractors, other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by the physicians and their immediate family members, with disclosure of such information to be made by CMS on a publicly available website; and ● analogous state and foreign laws and regulations, such as state anti- kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third- party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry’ s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state and local laws requiring the registration of pharmaceutical sales representatives; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, individual imprisonment, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, ~~43disgorgement~~ **disgorgement**, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, which could have a

material adverse effect on our business. If any of the physicians or other healthcare providers or entities with whom we expect to do business, including our collaborators, is found not to be in compliance with applicable laws, it may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government healthcare programs, which could also materially affect our business. **40**Even if we were to resume drug development activities, **Recently** recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our drug candidates and affect the prices we may obtain. In the United States and some foreign jurisdictions, there have been a number of enacted and proposed legislative and regulatory changes regarding the healthcare system that could prevent or delay marketing approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any drug candidates for which we obtain marketing approval. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts, which include major legislative initiatives to reduce the cost of care through changes in the healthcare system, including limits on the pricing, coverage, and reimbursement of pharmaceutical and biopharmaceutical products, especially under government-funded health care programs, and increased governmental control of drug. **The** In March 2010, President Obama signed into law ~~the~~ Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively **the** PPACA, **is** a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, improve quality of care, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. The PPACA, among other things, increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs; required collection of rebates for drugs paid by Medicaid managed care organizations; required manufacturers to participate in a coverage gap discount program, under which they must agree to offer point-of-sale discounts **(increased to 70 percent, effective as of January 1, 2019)** off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell certain "branded prescription drugs" to specified federal government programs, implemented a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; expanded the types of entities eligible for the 340B drug discount program; expanded eligibility criteria for Medicaid programs; created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending. There have been **amendments and** judicial and Congressional challenges to certain aspects of PPACA. For example, **on June 17, 2021, the U. S. Supreme Court dismissed a challenge on procedural grounds that argued the PPACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Further, on August 16, 2022, President Biden signed** the Inflation Reduction Act of 2022, or IRA, **was signed** into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in PPACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. It is possible that the PPACA will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and **healthcare additional** reform measures of the **Biden-second Trump** administration will impact **the** PPACA and our business. ~~Other legislative changes have been proposed and adopted since PPACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which began in 2013, and, due to subsequent legislative amendments, will stay in effect until 2032, unless additional Congressional action is taken. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers and increased 44the statute of limitations period for the government to recover overpayments to providers from three to five years.~~ Additional legislative proposals to reform healthcare and government insurance programs, along with the trend toward managed healthcare in the United States, could influence the purchase of medicines and reduce reimbursement and / or coverage of our product candidates, if approved. Current and future healthcare reform measures may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved drug. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. In addition, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U. S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. **For example** At the federal level, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, HHS released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. Further, the IRA, among other things (i) directs HHS to negotiate the price of certain high-expenditure, single-source drugs **that have been on the market for at least seven years** and biologics covered under Medicare, **known as the Medicare Drug Price Negotiation Program**, and (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions began to take effect progressively ~~starting~~ in fiscal year 2023.

On ~~In~~ August 29, 2023-2024, HHS ~~41~~HHS announced the list ~~agreed- upon prices~~ of the first ~~ten~~-10 drugs that ~~were~~ will be subject to price negotiations, although the Medicare ~~drug~~ Drug price ~~Price negotiation~~ Negotiation program ~~Program~~ is currently subject to legal challenges. ~~On January 17,~~ In response to the Biden administration's October 2022-2025 executive order, on February 14, 2023, HHS released a report outlining three new models ~~selected fifteen additional drugs covered under Part D~~ for testing by the CMS Innovation Center which ~~price negotiation in 2025. Each year thereafter more Part B and Part D products~~ will be evaluated on ~~become subject to their--~~ ~~the Medicare Drug Price Negotiation Program~~ ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. Further, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march- in rights under the Bayh- Dole Act ~~was announced~~. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March- In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march- in rights. While march- in rights have not previously been exercised, it is uncertain if that will continue under the new framework. At the state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drugs. Legislative and regulatory proposals have been made to expand post- approval requirements and restrict sales and promotional activities for drugs. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our drug candidates, if any, may be. In addition, increased scrutiny by the U. S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements. Governments outside the United States tend to impose strict price controls, which may adversely affect our revenue, if any, ~~from the potential commercialization of drug candidates~~. In some countries, particularly in the EU, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost- effectiveness of our drug candidate to other available therapies. If reimbursement of our drugs is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially, ~~to the extent that we seek to commercialize drugs~~. If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business. We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our ~~prior~~ operations ~~involve~~ ~~involved~~ the use of hazardous and flammable materials, including chemicals and biological materials. Our ~~prior~~ 45 operations ~~--~~ ~~operations~~ also ~~produce~~ ~~produced~~ hazardous waste products. We ~~have~~ generally ~~contract~~ ~~contracted~~ with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. Although we ~~have historically~~ ~~maintain~~ ~~maintained~~ workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, ~~to the extent we resume significant drug development activities,~~ we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. ~~Risks Related to Our Operations~~Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel. We are highly dependent on the expertise of our senior management and the members of our scientific and clinical teams. Although we have entered into employment agreements with our executive officers, each of them may currently terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or employees. Recruiting and retaining qualified scientific and clinical personnel and, if we progress the development of our drug pipeline toward scaling up for commercialization, sales and marketing personnel, will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval for and commercialize our drug candidates. Competition to hire qualified personnel in our industry is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited. We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could

disrupt our operations. As our development progresses, we expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of research, drug development, regulatory affairs and, if any of our drug candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations. 46Our 42Our employees and employees of our collaborators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements. We and our collaborators are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with the FDA regulations, to provide accurate information to the FDA, to comply with manufacturing standards we have established, to comply with federal and state healthcare fraud and abuse laws and regulations, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of business conduct and ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent improper activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, or any such actions are instituted against any of our collaborators, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions and diminished royalties. If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including, but not limited to, regulatory investigations or actions; litigation; fines and penalties; a disruption of our business operations, including our clinical trials; reputational harm; loss of revenue and profits; and other adverse consequences. In the ordinary course of our business, we and the third parties upon which we rely have relied collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) proprietary, confidential, and sensitive data, including personal data (such as health-related data), intellectual property, and trade secrets. We rely have also relied upon third parties (such as service providers), for our data processing – related activities. We and have share shared or receive received sensitive data with or from third parties. We are To the extent we resume our drug development activities, we will be increasingly dependent on information technology systems and infrastructure, including mobile technologies, to operate our business. Cyberattacks, malicious internet-based activity, and online and offline fraud are prevalent and continue to increase. These threats are becoming increasingly difficult to detect. These threats come from a variety of sources, including traditional computer “hackers,” threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we may rely may could be vulnerable to a heightened risk of these attacks, including cyberattacks that could materially disrupt our systems and operations, supply chain, and ability to operate our clinical trials and develop our products drug candidates. We and the third parties upon which we may rely may could also be subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by artificial intelligence (AI), telecommunications failures, earthquakes, fires, floods, and other similar threats. Ransomware attacks, including those perpetrated by organized criminal threat actors, nation-states, and nation-state-supported actors, are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. We If we resume our drug development activities, we expect that we would need to rely on third parties and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without 43without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We would also rely on CROs 47and and CMOs. Our ability to monitor these third parties’ information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties we may rely upon experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties we rely upon fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. Similarly, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our potential supply chain or our third-party partners’ supply

chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems or the third-party information technology systems that **would** support us and our services. Remote work has **also become more common and has** increased risks to our information technology systems and data, as **more of our current and former** employees **have utilize- utilized** network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. Future or past business transactions ~~(such as acquisitions or integrations)~~ could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. While we **have previously** implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We **have take- taken** steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and / or software, including that of third parties upon which we **rely have relied**). We may not, however, **have detect- detected** and **remediate- remediated** all such vulnerabilities **including** on a timely basis. **We** Further, we may experience **further** delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. Any of the previously identified or similar threats could cause a security incident. A security incident could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to data. A security incident could disrupt our ability (and that of third parties upon whom we rely) to conduct our business. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. We may expend significant resources or modify our business activities (including our clinical trial activities) in an effort to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures, industry- standard or reasonable security measures to protect our information technology systems and data. Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents, including affected individuals, customers, regulators, and investors. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); interruptions in our operations, including disruption of our ~~uproleslan~~ development ~~program- programs , if any~~ ; additional reporting requirements and / or oversight; interruptions or restrictions on processing sensitive data (which could result in delays in obtaining, or our inability to obtain, regulatory approvals and significantly increase our costs to recover or reproduce the data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may negatively impact our ability to grow and operate our business. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Additionally, we cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. ~~In 44~~**In** addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive ~~48~~**information-- information** of ~~ours the Company~~ could be leaked, disclosed, or revealed as a result of or in connection with use of generative artificial intelligence (AI) technologies by our employees, personnel or vendors. We **and the third parties with whom we have worked** are subject to stringent and changing U. S. and foreign laws, regulations, rules, contractual obligations, industry standards, policies, and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue and profits; and other adverse business impacts. In the ordinary course of **our** business, we **have process- processed** personal data and other sensitive data, including proprietary and confidential business data, trade secrets, intellectual property, clinical trial participant data, and other sensitive third- party data. ~~Our~~**The** data processing activities **related to our work** subject us **and the third parties with whom we have worked** to numerous data privacy and security obligations, such as federal, state, local and foreign laws, regulations, guidance, industry standards, external and internal privacy and security policies, contracts, and other obligations governing the processing and security of personal data. These obligations may change, are subject to differing interpretations and may be inconsistent among jurisdictions or conflict. The global data protection landscape is rapidly evolving, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. This evolution may create uncertainty in our business; affect our (or the third parties upon which we rely) ability to operate in certain jurisdictions or to collect, store, transfer, use and share personal data; necessitate the acceptance of more onerous obligations in our contracts; result in liability; or impose additional costs on us. These obligations may necessitate changes to our information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. ~~In addition, these obligations may require us to change our business model.~~ Outside the U. S., an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the European Union' s General Data Protection Regulation (GDPR) (EU) 2016 / 679, or the EU GDPR and the United Kingdom' s GDPR (UK GDPR), or collectively GDPR, impose strict requirements on the processing of personal data. Under the GDPR, government regulators may impose temporary or

definitive bans on data processing, as well as fines in the event of violations. Under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. ~~We In the ordinary course of business, we~~ may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the UK have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions **have adopted or** may adopt similarly stringent ~~interpretations of their~~ data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the U. S. in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the U. S. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the U. S., or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Some EEA regulators have prevented companies from transferring personal data out of the EEA for allegedly violating the GDPR's cross-border data transfer limitations. ~~In 45~~**In** the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of ~~49~~**the** Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). For example, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health data. See **the risk factor captioned** "Our ~~current and future~~ business and relationships with customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security and other healthcare laws and regulations, which could expose us to significant penalties, including criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings." ~~In the past few years, numerous~~ **Numerous** U. S. states —~~including California, Virginia, Colorado, Connecticut, and Utah~~—**have also** enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, or CCPA, collectively CCPA, applies to personal data of consumers, business representatives, and employees who are California residents. These obligations include, but are not limited to, providing specific disclosures in privacy notices and honoring requests of such individuals certain rights related to their personal data. The CCPA provide for fines of up to \$ 7, 500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. While the CCPA and other comprehensive state privacy laws contain limited exceptions for clinical trial data, these developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. In addition to data privacy and security laws, we may be contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, clinical trial participants or research subjects about whom we or our vendors obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. We ~~have publish~~**published** privacy policies, marketing materials, and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. It is possible that, in the future, we may fail or be perceived to have failed to comply with applicable data privacy and security obligations. Moreover, despite our best compliance efforts, our personnel or third parties whom we rely on could fail to comply with such obligations, which could negatively impact our business operations and compliance posture. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences. These consequences may

include, but are not limited to, government enforcement actions; litigation (including class claims) and mass arbitration demands; additional reporting requirements and / or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental-46monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: interruptions or stoppages in our business operations including, as relevant, clinical trials; inability to process personal 50data-- data or to operate in certain jurisdictions; limited ability to develop or commercialize uproleselan; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our operations. General Risk Factors Unfavorable

Factors Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations. Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn, or additional global financial crises, including related to health epidemics or armed conflicts and geopolitical tensions around the world, could result in a variety of risks to our business, including weakened demand for our product candidates, if approved, or our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the economic climate and financial market conditions could adversely impact our business. In addition, our available cash and cash equivalents are held in accounts managed by third-party financial institutions and consist of cash in our operating accounts and cash invested in U. S. Government money market funds. At any point in time, the funds in our operating accounts may exceed the Federal Deposit Insurance Corporation insurance limits. While we monitor the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail. We can provide no assurances that access to our operating cash or invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets. **If we fail to comply or regain compliance with Nasdaq's continued listing standards prior to the consummation of the Merger, our common stock may be delisted and the price of our common stock, our ability to access the capital markets and our financial condition could be negatively impacted. Our common stock was previously listed on the Nasdaq Global Market, and we were required to meet certain listing requirements, including with respect to minimum closing bid prices, market value of publicly held shares, stockholders' equity and market value of listed securities. In June 2024, we received notice from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, that we were not in compliance with the minimum bid price requirement for continued listing on the Nasdaq Global Market. Pursuant to Nasdaq listing rules, we were provided an initial compliance period until December 18, 2024 to regain compliance. In order to qualify for additional time to regain compliance, we transferred the listing of our common stock from the Nasdaq Global Market to the Nasdaq Capital Market, which became effective as of December 20, 2024. In connection with that transfer, on December 19, 2024, we received notice from Nasdaq that we had been granted an additional 180 calendar days, or until June 16, 2025, to regain compliance with the minimum closing bid price requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550 (a) (2). If necessary to regain compliance with Nasdaq listing standards, we may, subject to approval of our board of directors and stockholders, implement a reverse stock split. However, there can be no assurance that a reverse stock split, or any other alternatives we may consider to regain compliance with the minimum bid price requirement, would be approved or would result in a sustained higher stock price that would allow us to meet the Nasdaq stock price listing requirements. Separately, Nasdaq listing rules requires companies listed on the Nasdaq Capital Market to maintain a stockholders' equity of at least \$ 2. 5 million. As of December 31, 2024, we had stockholders' equity of \$ 5. 3 million. As a result of our expected decrease in stockholders' equity prior to the Merger due to continued net losses, there can be no assurance that we will be able to maintain the minimum required stockholders' equity under the Nasdaq continued listing standards.**

47If we are not able to maintain compliance within the compliance periods allotted by Nasdaq, our common stock could be delisted, which would have a further material adverse effect on the market price of our common stock and on stockholder liquidity. We intend to actively monitor the bid price of our common stock and will consider available options to regain compliance with the listing requirement; however, there can be no assurance that we will be able to regain compliance with the listing requirement or will otherwise be in compliance with the other Nasdaq listing criteria. If Nasdaq delists our common stock for failure to meet its listing standards, and our common stock is not eligible for quotation or listing on another market or exchange, we and our stockholders could face significant negative consequences, including: • trading of our common stock being conducted only in the over- the- counter market or on an electronic bulletin board established for unlisted securities, such as the Pink Sheets or the OTC Bulletin Board, which could result in limited availability of market quotations for our common stock and increased difficulty of disposing of shares of common stock; • a determination that the common stock is a " penny stock, " which would require brokers trading in the common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of our common stock; • a limited amount of analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future.

An active trading market for our common stock may not be sustained. Although our common stock is listed on The Nasdaq **Global Capital** Market, we cannot assure you that an active trading market for our shares will be sustained. If an active market for our common stock is not sustained, it may be difficult for investors in our common stock to sell shares without depressing the market price for the shares or to sell the shares at all. The trading price of our common stock has been and is likely to continue to be volatile. Our stock price from time to time has been volatile. The stock market in general and the market for biopharmaceutical companies in

particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by many factors, including: ● **expectations regarding the consummation of the Merger with Crescent;** ● announcements relating to development, regulatory approvals or commercialization of our drug candidates; ● actual or anticipated variations in our operating results; ● changes in financial estimates by us or by any securities analysts who might cover our stock; ● conditions or trends in our industry; ● changes in laws or other regulatory actions affecting us or our industry, such as drug pricing and reimbursement; ● stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the biopharmaceutical industry; ● announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures; ● announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us; ● capital commitments; ● investors' general perception of our company and our business; ● disputes concerning our intellectual property or other proprietary rights; ~~51-48~~ ● recruitment or departure of key personnel; and ● sales of our common stock, including sales by our directors and officers or specific stockholders. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, which has resulted in volatile stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, including worsening economic conditions and other adverse effects or developments relating to political, regulatory and other market conditions, may negatively affect the market price of shares of our common stock, regardless of our actual operating performance. In addition, in the past, stockholders have initiated class action lawsuits against pharmaceutical and biotechnology companies following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management' s attention and resources from our business. If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, our stock price and trading volume could decline. The trading market for our common stock is influenced by the research and reports that equity research analysts publish about us and our business. We have only limited research coverage by equity research analysts. Equity research analysts may elect not to initiate or continue to provide research coverage of our common stock, and such lack of research coverage may adversely affect the market price of our common stock. Even if we have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline. The issuance of additional stock in connection with financings, acquisitions, investments, our stock incentive plan, our employee stock purchase plan or otherwise will dilute all other stockholders. Our certificate of incorporation authorizes us to issue up to ~~100-150~~, 000, 000 shares of common stock and up to 5, 000, 000 shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investment, our stock incentive plan, our employee stock purchase plan or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline. If a substantial number of our total outstanding shares are sold into the market, or if the market perceives that such sales may occur, it could cause the market price of our common stock to drop significantly ~~, even if our business is doing well~~. Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or if the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly. All of our outstanding shares of common stock are available for sale in the public market, subject only to the restrictions of Rule 144 under the Securities Act in the case of our affiliates. In addition, we have filed registration statements on Form S- 8 registering the issuance of shares of common stock subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Shares registered under these registration statements are available for sale in the public market subject to vesting arrangements and exercise of options, as well as Rule 144 in the case of our affiliates. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline. ~~52Provisions-49Provisions~~ in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result. ~~There are provisions~~ **Provisions** in our certificate of incorporation and bylaws that ~~may could~~ make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by some or all of our stockholders. For example, our board of directors has the authority to issue up to 5, 000, 000 shares of preferred stock. The board of directors can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change in control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders. Our charter documents also contain other provisions that could have an anti- takeover effect, including: ● only one of our three classes of directors is elected each year; ● stockholders are not entitled to remove directors other than by a 66 2 / 3 % vote and only for cause; ● stockholders are not permitted to take actions by written consent; ● stockholders cannot call a special meeting of stockholders; and ● stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings. In addition, we are subject to the anti- takeover provisions of Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions by prohibiting Delaware corporations from engaging in specified

business combinations with particular stockholders of those companies. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock. Our certificate of incorporation also provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders. If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired. We are subject to the reporting requirements of the Securities Exchange Act of 1934, the Sarbanes- Oxley Act of 2002, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations of The Nasdaq Global Capital Market. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting and perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting. This requires that we incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. We may in the future discover areas of our internal financial and accounting controls and procedures that need improvement. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system' s objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If we are unable to maintain proper and effective internal controls in the future, we may not be able to produce timely and accurate financial statements, and we may conclude that our internal controls over financial reporting are not 50 effective. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. 53