Risk Factors Comparison 2024-06-24 to 2023-07-07 Form: 10-K

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You should carefully consider the following risk factors, together with all other information included in this report, in evaluating the Company and our common stock. If any of the following risks and uncertainties develop into actual events, they could have a material adverse effect on our business, financial condition, or results of operations. In that case, the trading price of our common stock and other securities also could be adversely affected. We make various statements in this section, which constitute " forward- looking statements. " See " Forward- Looking Statements. " Risks Related to Our Business, Industry, and Operations: We have incurred significant losses and have an accumulated deficit. If we cannot achieve profitability, the market price of our common stock could decline significantly. As of March 31, ~~2023~~ **2024** , we had cash and cash equivalents of $ ~~3~~ **1** . 2 million and working capital of **approximately $ 1. 4 million compared to cash and cash equivalents of $ 3. 2 million and working capital of** $ 4. 6 million ~~compared to cash and cash equivalents of $ 10. 5 million and working capital of $ 12. 7 million~~ as of March 31, ~~2022~~ **2023** , for continuing operations. We have had a history of operating losses. For Fiscal **2024 and Fiscal** 2023 ~~and Fiscal 2022~~ , we had a net loss of approximately $ **13 million and $** 11. 5 ~~million and $ 15~~ million, respectively. Our revenue increased from Fiscal ~~2022~~ **2023** to Fiscal ~~2023~~ **2024** . Our short- term focus is to gain market share for our Life Sciences segment. Accordingly, there can be no guarantee that our efforts will be successful. If our revenues do not grow or if our operating expenses continue to increase, we may not be able to become profitable, and the market price of our common stock could decline. If we continue to have losses, we will be required to seek additional financing. No assurance can be given that we can raise any such financing, and such financing could be dilutive to our shareholders. **We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results. We are making investments in AI initiatives, including generative AI, to, among other things, recommend relevant unconnected content across our products, enhance our advertising tools, develop new products, and develop new features for existing products. In particular, we expect our AI initiatives will require increased investment in infrastructure and headcount. There are significant risks involved in developing and deploying AI, and there can be no assurance that the usage of AI will enhance our products or services or be beneficial to our business, including our efficiency or profitability. For example, our AI- related efforts, particularly those related to generative AI, subject us to risks related to harmful content, accuracy, bias, discrimination, toxicity, intellectual property infringement or misappropriation, defamation, data privacy, cybersecurity, and sanctions and export controls, among others. It is also uncertain how various laws related to online services, intermediary liability, and other issues will apply to content generated by AI. In addition, we are subject to the risks of new or enhanced governmental or regulatory scrutiny, litigation, or other legal liability, ethical concerns, negative consumer perceptions as to automation and AI, or other complications that could adversely affect our business, reputation, or financial results. As a result of the complexity and rapid development of AI, it is also the subject of evolving review by various U. S. governmental and regulatory agencies, and other foreign jurisdictions are applying, or are considering applying, their platform moderation, intellectual property, cybersecurity, and data protection laws to AI and / or are considering general legal frameworks on AI. We may not always be able to anticipate how to respond to these frameworks, given that they are still rapidly evolving. We may also have to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks on AI are not consistent across jurisdictions. As such, it is not possible to predict all of the risks related to the use of AI, and changes in laws, rules, directives, and regulations governing the use of AI may adversely affect our ability to develop and use AI or subject us to legal liability.** Our cannabinoid strategy makes it difficult to raise money as a public company. Marijuana and hemp plants are both the same species, the dioecious plant Cannabis sativa L. Most countries differentiate hemp from marijuana by the amount of THC. Under the 2018 Farm Bill, hemp is classified as a cannabis plant that has 0. 3 % or less THC by dry weight. Marijuana is classified as a cannabis plant that has THC above 0. 3 % by dry weight. Both marijuana and hemp produce other cannabinoids, such as CBD. CBD, mentioned in the context of products, refers to hemp extracts naturally rich in cannabinoids like CBD ~~,~~ but with 0. 3 % or less THC by dry weight. Despite having no direct involvement in selling marijuana, the Company is often incorrectly classified as a " cannabis company " or a " marijuana company, " with all the nuances that accompany that label, including being blacklisted by banks, investment banks, and until recently by the largest stock clearing services company. The near- monopoly nature of some of these institutions, especially clearing houses, makes it difficult for the Company to raise money, deposit share certificates, or even have investment banking relationships. As we cannot control how others perceive us, there can be no assurance that we will be able to raise enough capital for our planned expansion. The Drug Enforcement Administration (**"** DEA **"**) interim final rule related to statutory amendments to the Controlled Substances Act made by the Agriculture Improvement Act of 2018 (**"** AIA **"**) regarding the scope of regulatory controls over marijuana, tetrahydrocannabinols, and other related constituents may have an adverse impact on our Company. Effective August 21, 2020, the interim rule to align DEA regulations in response to hemp legalization under the 2018 Farm Bill became effective. In order to meet the AIA' s definition of hemp and thus qualify for the exception in the definition of marijuana, a cannabis- derived product must itself contain 0. 3 % or less delta- 9- Tetrahydrocannabinol (**"** THC **"**) on a dry weight basis. It is not enough that a product is labeled or advertised as " hemp. " Cannabis- derived products that exceed the 0. 3 % THC limit do not meet the statutory definition of " hemp " and are Schedule I controlled substances, regardless of claims made to the contrary in the labeling or advertising of the products. Further, a cannabis derivative, extract, or product that exceeds the 0. 3 % THC limit is a Schedule I controlled substance, even if the plant from which it was derived contained 0. 3 % or less THC on a dry weight basis.

While we strive to ensure compliance, further tightening of these definitions may have an adverse impact on our products. The Company depends on the performance of carriers, wholesalers, retailers, and other resellers. The Company distributes its products through wholesalers, retailers, and resellers, many of whom may distribute products from competing manufacturers. The Company also intends to sell its products and resell third- party products in most of its major markets directly to consumers, small and mid- sized businesses, and other customers through its retail and online stores and its direct sales force. The Company intends to invest in programs to enhance reseller sales, including staffing selected resellers' stores with Company employees and contractors and improving product placement displays. These programs can require a substantial investment while not assuring return or incremental sales. The financial condition of these resellers could weaken, these resellers could stop distributing the Company' s products, or uncertainty regarding demand for some or all of the Company' s products could cause resellers to reduce their ordering and marketing of the Company' s products. We may engage in strategic transactions that could impact our liquidity, increase our expenses, and present significant distractions to our management, ~~and~~ which ultimately may not be successful. From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases, and out- licensing or in- licensing of products, product candidates, or technologies, particularly those arrangements that seek to leverage other organizations' internal platforms or competencies for the benefit of our products or potential products. Additional potential transactions that we may consider may include a variety of different business arrangements, including spin- offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations, and investments. Any such transaction may require us to incur non- recurring or other charges that may increase our near and long- term expenditures and may pose significant integration challenges or disrupt our management or business, which could adversely affect our operations and financial results. For example, these transactions may entail numerous operational and financial risks, including: ● exposure to unknown or unanticipated liabilities, including foreign laws with which we are unfamiliar; ● disruption of our business and diversion of our management' s time and attention to develop acquired products, product candidates, or technologies; ● the incurrence of substantial debt or dilutive issuances of equity securities to pay for acquisitions, which we may not be able to obtain on favorable terms, if at all; ● higher than expected acquisition and integration costs; ● write- downs of assets or goodwill or impairment charges; ● increased amortization expenses; ● difficulty and cost in combining the operations and personnel of any acquired businesses with our operations and personnel; ● entering a long- term relationship with a partner that proves to be unreliable or counterproductive; ● impairment of relationships with key suppliers or customers of any acquired businesses due to changes in management and ownership; and ● inability to retain key employees of any acquired businesses. There can be no assurance that we will undertake or successfully complete any transactions of the nature described above. Any transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition, and prospects if we are unable to execute the planned objectives or capitalize on the relationship in the manner that was originally contemplated. Global Operations We operate on a global scale and could be affected by currency fluctuations, capital ~~,~~ and exchange controls, global economic conditions including inflation, expropriation, and other restrictive government actions, changes in intellectual property legal protections and remedies, trade regulations, tax laws , and regulations, and procedures and actions affecting approval, production, pricing, and marketing of, reimbursement for and access to our products, as well as impacts of political or civil unrest or military action, including but not limited to the current conflict between Russia and Ukraine, terrorist activity, unstable governments, and legal systems, inter- governmental disputes, public health outbreaks, epidemics, pandemics, natural disasters or disruptions related to climate change. Some emerging market countries may be particularly vulnerable to periods of financial or political instability or significant currency fluctuations or may have limited resources for healthcare spending. As a result of these and other factors, our strategy to grow in emerging markets may not be successful, and growth rates in these markets may not be sustainable. Government financing and economic pressures can lead to negative pricing pressure in various markets where governments take an active role in setting prices, access criteria (e. g., through health technology assessments) , or other means of cost control. We continue to monitor the global trade environment and potential trade conflicts and impediments that could impact our business. If trade restrictions or tariffs reduce global economic activity, potential impacts could include declining sales ~~;~~ , increased costs ~~;~~ , volatility in foreign exchange rates ~~;~~ , a decline in the value of our financial assets and pension plan investments ~~;~~ , required increases of our pension funding obligations ~~;~~ , increased government cost control efforts ~~;~~ , delays or failures in the performance of customers, suppliers and other third parties on whom we may depend for the performance of our business ~~;~~ , and the risk that our allowance for doubtful accounts may not be adequate. We may fail to expand our growing and manufacturing capability in time to meet market demand for our products and product candidates, and the FDA may refuse to accept our facilities or those of our contract ~~manufactures~~ **manufacturers** as being suitable for the production of our products and product candidates. Any problems in our growing or manufacturing process could have a material adverse effect on our business, results of operations, and financial condition. In addition, before we can begin commercial manufacture of any medicinal product candidates for sale in the U. S., we must obtain FDA regulatory approval for the product, which requires a successful FDA inspection of the manufacturing facilities, which in turn includes the facilities of the processor (s) and quality systems in addition to other product- related approvals. ~~The Company established a Good Manufacturing Practice (GMP) certified processing facility in the State of Washington for processes such as: a) production of products such as lotions, creams, and oils, among others, to support our products and to support white labeling; b) extraction of hemp into crude oil; and c) distillation of crude oil into hemp extracts.~~ Due to the complexity of the processes used to manufacture our product candidates, we may be unable to initiate or continue to pass federal, state, or international regulatory inspections in a cost- effective manner. If we are unable to comply with manufacturing regulations, we may be subject to fines, unanticipated compliance expenses, recall or seizure of any approved products, total or partial suspension of production, and / or enforcement actions, including injunctions and criminal or civil prosecution. These possible sanctions would adversely affect our business, the results of operations, and financial condition. Legal claims could be filed that may have a material adverse effect on our business, operating results, and financial condition. We may, in the future , face risks of litigation

and liability claims ~~, the~~ . **The** extent of such exposure can be difficult or impossible to estimate ~~and~~ **,** which can negatively impact our financial condition and results of operations. Our operations are subject to numerous laws and regulations in the U. S., India, Colombia, and Hong Kong relating to the protection of the public and necessary disclosures regarding financial services. Liability under these laws involves inherent uncertainties. Violations of financial regulation laws are subject to civil ~~,~~ and, in some cases, criminal sanctions. We may not have been, or may not be, or may be alleged to have not been or to not be, at all times, in complete compliance with all requirements, and we may incur costs or liabilities in connection with such requirements or allegations. We may also incur unexpected interruptions to our operations, administrative injunctions requiring operation stoppages, fines judgments, settlements, or other financial obligations or penalties, which could negatively impact our financial condition and results of operations. See Item 3, Legal Proceedings of this report **,** for further information on the current status of legal proceedings, if any. There can also be no assurance that any insurance coverage we have will be adequate or that we will prevail in any future cases. We can provide no assurance that we will be able to obtain liability insurance that would protect us from any such lawsuits. In the event that we are not covered by insurance, our management could spend significant time and resources addressing any such issues. **The** ~~And the~~ legal fees necessary to defend against multiple lawsuits can be significant, impacting the Company' s overall bottom line when not covered by insurance or where the fees exceed the Company' s insurance policy limits. Our Company is in a highly regulated industry. Significant and unforeseen changes in policy may have material impacts on our business. Continued development in the phytocannabinoids industry is dependent upon continued state legislative authorization of cannabinoids as well as legislation and regulatory policy at the federal level. The federal Controlled Substances Act currently makes cannabinoids use and possession illegal on a national level. While there may be ample public support for legislative authorization, numerous factors impact the legislative process. Any one of these factors could slow or halt the use and handling of cannabinoids in the U. S. or in other jurisdictions, which would negatively impact our development of phytocannabinoids- based therapies and our ability to test and productize these therapies. Many U. S. state laws conflict with the federal Controlled Substances Act. While we do not **,** and do not intend, to distribute or sell marijuana in the U. S., it is unclear whether regulatory authorities in the U. S. would object to the registration or public offering of securities in the U. S. by our Company ~~,~~ to the status of our Company as a reporting company, or even to investors investing in our Company, if we engage in legal cannabinoids cultivation and supply pursuant to the laws and authorization of the jurisdiction where the activity takes place. In addition, the status of cannabinoids under the Controlled Substances Act may have an adverse effect on federal agency approval of pharmaceutical use of phytocannabinoid products. Any such objection or interference could delay indefinitely or increase substantially the costs to access the equity capital markets, test our therapies, or create products from the Life Sciences segment. Our Company is inexperienced in conducting pre- clinical and clinical trials. Our Company is inexperienced in conducting pre- clinical and clinical trials. Our attempt at demonstrating safety, efficacy, and ultimate useability may fail because of our lack of experience in designing, managing, and conducting clinical trials **,** resulting in unanticipated or adverse outcomes. Such outcomes may have an adverse effect on our stock price. Clinical trials are expensive, time- consuming, and difficult to design and implement, and involve an uncertain outcome. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Because the results of preclinical studies and early clinical trials are not necessarily predictive of future results, IGC-AD1 and our other compounds may not have favorable results in later preclinical and clinical studies or receive regulatory approval. We may experience delays in initiating and completing any clinical trials that we intend to conduct, and we do not know whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time **,** or be completed on schedule, or at all. Clinical trials can be delayed or terminated for a variety of reasons, including but not limited to: ● the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical studies; ● obtaining regulatory approval to commence a trial; ● reaching an agreement on acceptable terms with prospective contract research organizations (**“** CROs **”**), and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; ● obtaining Institutional Review Board (**“** IRB **”**) approval at each site ~~,~~ or Independent Ethics Committee (**“** IEC **”**) approval at sites outside the United States; ● recruiting suitable patients to participate in a trial in a timely manner and in sufficient numbers; ● having patients complete a trial or return for post- treatment follow-up; ● imposition of a clinical hold by regulatory authorities, including as a result of unforeseen safety issues or side effects or failure of trial sites to adhere to regulatory requirements or follow trial protocols; ● clinical sites deviating from trial protocol or dropping out of a trial; ● addressing patient safety concerns that arise during the course of a trial; ● adding a sufficient number of clinical trial sites; or ● manufacturing sufficient quantities of the product candidate for use in clinical trials. We could also encounter delays if a clinical trial is suspended or terminated by us, the IRBs or IECs of the institutions in which such trials are being conducted, the Data Safety Monitoring Board (**“** DSMB **”**), for such trial or the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, **an** inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Furthermore, we rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials ~~and~~ , **and** while we have agreements governing their committed activities, we have limited influence over their actual performance. The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time- consuming, and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for IGC- AD1 or any other product candidates, our business will be substantially harmed. The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may

change during the course of a product candidate' s clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate, and it is possible that we will never obtain regulatory approval for IGC-AD1 or any other product candidate. We are not permitted to market any of our pharmaceutical product candidates in the United States until we receive regulatory approval of an NDA from the FDA. The regulatory approval process can be affected by, among other things, the following: ● we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication; ● serious and unexpected drug-related side effects experienced by participants in our clinical trials or by individuals using drugs similar to our product candidates ~~,~~ or other products containing the active ingredient in our product candidates; ● negative or ambiguous results from our clinical trials or results that may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval; ● we may be unable to demonstrate that a product candidate' s clinical and other benefits outweigh its safety risks; ● the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials; ● the data collected from clinical trials of our product candidates may not be acceptable or sufficient to support the submission of an NDA or other submission or to obtain regulatory approval in the United States or elsewhere, and / or we may be required to conduct additional clinical trials; ● the FDA or comparable foreign authorities may disagree regarding the formulation, labeling, and / or ~~the~~ specifications of our product candidates; ● the FDA or comparable foreign regulatory authorities may fail to approve or find deficiencies with the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and ● the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval. Prior to obtaining approval to commercialize a product candidate in the United States or abroad, we must demonstrate with substantial evidence from well- controlled clinical trials and to the satisfaction of the FDA or foreign regulatory agencies that such product candidates are safe and effective for their intended uses. Results from preclinical studies and clinical trials can be interpreted in different ways. Even if the preclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. For diseases like Alzheimer' s, the FDA has stated that one single Phase 3 trial is adequate for approval if it demonstrates robust and unquestionable efficacy. However, the circumstances under which a single adequate and controlled study can be used as the sole basis for demonstrating the efficacy of a drug are exceptional. The FDA or any foreign regulatory bodies can delay, limit, or deny approval of our product candidates or require us to conduct additional preclinical or clinical testing or abandon a program for many reasons, including: ● the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials; ● the FDA or comparable foreign regulatory authorities may disagree with our safety interpretation of our drug; ● the FDA or comparable foreign regulatory authorities may disagree with our efficacy interpretation of our drug; ● the FDA or comparable foreign regulatory authorities may regard our Chemistry Manufacturing and Controls package as inadequate. Of the large number of drugs in development, only a small percentage successfully complete the regulatory approval processes and are commercialized. This lengthy approval process, as well as the unpredictability of future clinical trial results, may result in us failing to obtain regulatory approval to market IGC- AD1 or another product candidate, which would significantly harm our business, results of operations, and prospects. In addition, the FDA or the applicable foreign regulatory agency **may** also ~~may~~ approve a product candidate for a more limited indication or patient population than we originally requested, and the FDA or applicable foreign regulatory agency may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates. We have concentrated our research and development efforts on the treatment of Alzheimer' s Disease, which has seen limited success in drug development. Further, IGC- AD1 is based on a new approach to treating symptoms of Alzheimer' s Disease, which makes it difficult to predict the time and cost of development and subsequent obtaining of regulatory approval. Efforts by biopharmaceutical and pharmaceutical companies in treating Alzheimer' s Disease have seen limited success in drug development, and there ~~is~~ **are** no FDA- approved disease **-** modifying therapeutic options available for patients with Alzheimer' s Disease. We cannot be certain that our approach will lead to the development of approvable or marketable products. The only drugs approved by the FDA to treat Alzheimer' s Disease to date address the disease' s symptoms. Alzheimer' s Disease drug candidates have the highest failure rate of approximately 99. 6 %. As a result, the FDA has a limited set of products to rely on in evaluating IGC- AD1. This could result in a longer **-** than **-** expected regulatory review process, increased expected development costs, or the delay or prevention of commercialization of IGC- AD1 for the treatment of Alzheimer' s Disease. Enrollment and retention of patients in clinical trials is an expensive and time- consuming process and could be made more difficult or rendered impossible by multiple factors outside our control. The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may encounter delays in enrolling ~~,~~ or be unable to enroll ~~,~~ a sufficient number of patients to complete any of our clinical trials, and even once enrolled, we may be unable to retain a sufficient number of patients to complete any of our trials. Patient enrollment and retention in clinical trials depend on many factors, including: ● the patient eligibility criteria defined in the protocol; ● the size of the patient population required for analysis of the trial' s primary endpoints; ● the nature of the trial protocol; ● the existing body of safety and efficacy data with respect to the product candidate; ● the proximity of patients to clinical sites; ● our ability to recruit clinical trial investigators with the appropriate competencies and experience; ● clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating; ● competing clinical trials being conducted by other companies or institutions; ● our ability to maintain patient ~~consents~~ **consent** ; and ● the risk that patients enrolled in clinical trials will drop out of the trials before completion. Our product candidates may cause serious adverse events or undesirable side effects, which may delay or prevent marketing approval ~~,~~ or, if approved, require them to be taken off

the market, require them to include safety warnings , or otherwise limit their sales. Serious adverse events or undesirable side effects caused by IGC- AD1 ~~,~~ or any other product candidates could cause us or regulatory authorities to interrupt, delay , or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign authorities. **The** ~~Results~~ **results** of any clinical trial we conduct could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. If unacceptable side effects arise in the development of our product candidates, we, the FDA, or the IRBs at the institutions in which our studies are conducted, or the DSMB, if constituted for our clinical trials, could recommend a suspension or termination of our clinical trials, or the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of a product candidate for any or all targeted indications. In addition, drug- related side effects could affect patient recruitment or the ability of enrolled patients to complete a trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition, and prospects significantly. Additionally, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including: ● additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof; ● regulatory authorities may withdraw approvals of such ~~product~~ **products** ; ● regulatory authorities may require additional warnings on the label, such as a " black box " warning or contraindication; ● we may be required to implement a REMS or create a medication guide outlining the risks of such side effects for distribution to patients; ● we could be sued and held liable for harm caused to patients; ● the product may become less competitive; and ● our reputation may suffer. Any of these events could prevent us from achieving or maintaining market acceptance of a product candidate, if approved, and could significantly harm our business, results of operations , and prospects. Our product candidates may be unable to achieve the expected market acceptance, consequently ~~,~~ limiting our ability to generate revenue from new products. Even when product development is successful and regulatory approval has been obtained, our ability to generate sufficient revenue depends on the acceptance of our products by customers. We cannot assure you that our products will achieve the expected level of market acceptance and revenue. The market acceptance of any product depends on several factors , such as the price of the product, the effect of the product, the taste of the product, **the** reputation of the Company, competition, and marketing and distribution support. The success and acceptance of a product in one state may not be replicated in other states or may be negatively affected by our activities in another state. Any factors preventing or limiting the market acceptance of our products could have a material adverse effect on our business, results of operations , and financial condition. The nature of our products, customer base , and sales channels cause us to lack visibility regarding future demand for our products, which makes it difficult for us to predict our revenues or operating results. It is important to the success of our business that we have the ability to accurately predict the future demand for our products. However, several factors contribute to a lack of visibility with respect to future orders, including: ● the lengthy and unpredictable sales cycle for our products that can extend from 6 to 24 months or longer; ● the project- driven nature of our customers' requirements; ● the uncertainty of the extent and timing of market acceptance of our new products; ● the requirement to obtain industry certifications or regulatory approval for some products; and ● the diversity of our product lines and **the** geographic scope of our product distribution. This lack of visibility impacts our ability to forecast inventory requirements. An overestimate of our customers' future requirements for products may lead to excess inventory, which would increase costs and potentially require us to write- off inventory that becomes obsolete. If we underestimate our customers' future requirements, we may have inadequate inventory, which could interrupt and delay the delivery of our products to our customers and could cause our revenues to decline. If any of these events occur, they could negatively impact our revenues, which could prevent us from achieving or sustaining profitability. Some, but not all, of the factors that could affect our ability to achieve results are described in forward- looking statements. If one or more of these factors materialize, or if any underlying assumptions prove incorrect, our actual results, performance , or achievements may vary materially from any future results, performance , or achievements expressed or implied by these forward- looking statements. Business interruptions could delay us in the process of developing our product candidates and could disrupt our product sales. Loss of our manufacturing facilities, stored inventory , or laboratory facilities through fire, theft, natural disasters , or other causes, or loss of our botanical raw material due to pathogenic infection, waste, destruction, or other causes, could have an adverse effect on our ability to meet demand for our products or to continue product development activities and to conduct our business. Failure to supply our partners with commercial products may lead to adverse consequences. Climate change concerns could disrupt our businesses, adversely affect client activity levels, adversely affect the creditworthiness of our counterparties , and damage our reputation. Climate change may cause extreme weather events that, among other things, could damage our facilities and equipment, injure our employees, disrupt operations at one or more of our primary locations, negatively affect our ability to service and interact with our clients, and adversely affect the value of our assets. Any of these events may increase our costs including our costs to insure against these events. Climate change may also have a negative impact on the financial condition of our clients, which may decrease revenues from those clients and increase the credit exposures to those clients. Additionally, our reputation and client relationships may be damaged as a result of our involvement, or our clients' involvement, in certain industries associated with causing or exacerbating, or alleged to cause or exacerbate, climate change. We also may be negatively impacted by any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. New regulations or guidance relating to climate change, as well as the perspectives of shareholders, employees, and other stakeholders regarding climate change, may affect whether and on what terms and conditions we engage in certain activities or offer certain products. Currency fluctuations may reduce our assets and profitability. We have assets located in foreign countries

that are valued in foreign currencies. Fluctuation of the U. S. dollar relative to the foreign currency may adversely affect our assets and profit. Our business relies heavily on our management team, and any unexpected loss of key officers may adversely affect our operations. The continued success of our business is largely dependent on the continued services of our key employees. The loss of the services of certain key personnel, without adequate replacement, could have an adverse effect on our performance. Our senior management, as well as the senior management of our subsidiaries, plays a significant role in developing and executing the overall business plan, maintaining client relationships, proprietary processes, and technology. While no one is irreplaceable, the loss of the services of any would be disruptive to our business. Our quarterly revenue, operating results, and profitability will vary. Factors that may contribute to the variability of quarterly revenue, operating results, or profitability include: ● Fluctuations in revenue due to the seasonality of the marketplace, which results in uneven revenue and operating results over the year; ● Additions and departures of key personnel; ● Strategic decisions made by us and our competitors, such as acquisitions, divestitures, spin- offs, joint ventures, strategic investments, and changes in business strategy; and ● Economic conditions, including but not limited to the adverse impact on operating results due to the COVID- 19 pandemic. We may not successfully register the provisional patents with the USPTO. We have filed ~~forty~~ **twenty** - ~~one~~ **eight** (~~41~~ **28**) patent applications with the USPTO and also in other different countries ~~,~~ in the combination therapy space ~~,~~ for the indications of pain, Alzheimer' s, medical refractory epilepsy, eating disorders, and Tourette syndrome as part of our intellectual property strategy focused on the phytocannabinoid- based health care industry. Although ~~nine~~ **twelve** patents have been issued, there is no guarantee that our remaining applications will result in a successful registration with the USPTO. If we are unsuccessful in registering patents, our ability to create a valuable line of products can be adversely affected. This **,** in turn **,** may have a material and adverse impact on the trading price of our common stock. We may be unable to protect our intellectual property rights and / or intellectual property rights licensed to us and may be subject to intellectual property litigation and infringement claims by third parties. We intend to protect our intellectual property through limited patents and our unpatented trade secrets and know- how through confidentiality or license agreements with third parties, employees, and consultants, and by controlling access to and distribution of our proprietary information. However, this method may not afford complete protection, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the U. S. **,** and unauthorized parties may copy or otherwise obtain and use our products, processes, or technology. Additionally, there can be no assurance that others will not independently develop similar know- how and trade secrets. We are also dependent upon the owners of intellectual property rights licensed to us under various wholesale license agreements to protect and defend those rights against third party claims. If third parties take actions that affect our rights, the value of our intellectual property, similar proprietary rights or reputation **,** or the licensors who have granted us certain rights under wholesale license agreements, or we are unable to protect the intellectual property from infringement or misappropriation, other companies may be able to offer competitive products at lower prices, and we may not be able to effectively compete against these companies. We also face the risk of claims that we have infringed third parties' intellectual property rights. Any claims of intellectual property infringement, even those without merit, may require us to: ● defend against infringement claims **,** which are expensive and time **-** consuming; ● cease making, licensing, or using, either temporarily or permanently, products that incorporate the challenged intellectual property; ● re- design, re- engineer, or re- brand our products or packaging; or ● enter into royalty or licensing agreements to obtain the right to use a third party' s intellectual property. In the event of claims by third parties for infringement of intellectual property rights **,** we license from third parties under wholesale license agreements, we could be liable for costs of defending allegations of infringement, and there are no assurances the licensors will either adequately defend the licensed intellectual property rights or that they would prevail in the related litigation. In that event, we would incur additional costs and may be deprived ~~from~~ **of** generating royalties from these agreements. We may face risks relating to health care privacy and security laws. We may be subject to various privacy and security regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (**"** HIPAA **"**), as amended by The Health Information Technology for Economic and Clinical Health Act (**"** HITECH **"**), and their respective implementing regulations, including the related final published omnibus rule. HIPAA mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common health care transactions, as well as standards relating to the privacy and security of individually identifiable health information. These obligations would require the Company to adopt administrative, physical, and technical safeguards to protect such information. Among other things, HITECH makes HIPAA' s privacy and security standards directly applicable to " business associates " — independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates, and possibly other persons ~~,~~ and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney' s fees and costs associated with pursuing federal civil actions. In addition, state laws govern the privacy and security of health information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thereby complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and criminal penalties. Some of our lines of business will rely on third- party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security ~~,~~ or privacy breaches, including cybersecurity attacks ~~,~~ or failures in data collection **,** could expose us to liability claims, increased costs, reduced revenue, and harm our business and reputation. Our lines of business and services, but especially our development of hemp- based cannabinoid combination therapies for products, ~~including Hyalolex ™, Drops of Clarity ™,~~ and our long- term use and / or development of **software** ~~blockchain technologies~~ to solve critical issues facing the ~~cannabinoids~~ **pharmaceutical** industry, rely on services hosted and controlled directly by our suppliers and distributors and their third- party service providers. We do not have redundancy for all our systems; many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. These facts could cause

reputational harm, loss of customers, or loss of future business, thereby reducing our revenue. Our suppliers and distributors and their third- party service providers hold customer data, some of which is hosted in third- party facilities. A security incident or cybersecurity attack at those facilities or ours may compromise the confidentiality, integrity, or availability of customer data. We have a cybersecurity policy in place ~~,~~**;** however, unauthorized access to customer data stored on our computers or networks may be obtained through break- ins, breaches of our secure network by an unauthorized party, employee theft or misuse, or other misconduct. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers. Accounts created with weak passwords could allow cyber- attackers to gain access to customer data. If there were an inadvertent disclosure of customer information, or if a third party were to gain unauthorized access to the information we possess on behalf of our customers, our operations could be disrupted, our reputation could be damaged, and we could be subject to claims or other liabilities. In addition, such perceived or actual unauthorized disclosure of the information we collect ~~,~~or breach of our security could damage our reputation, result in the loss of customers, and harm our business. Hardware or software failures or errors in our systems or those of our suppliers and distributors or their third- party service providers ~~,~~ could result in data loss or corruption, cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant, or cause us to fail to meet committed service levels. Furthermore, our ability to collect and report data may be delayed or interrupted by several factors, including access to the internet, the failure of our network or software systems **,** or security breaches. In addition, computer viruses or other malware may harm our systems, causing us to lose data, and the transmission of computer viruses or other malware could expose us to litigation. We may also find, on occasion, that we cannot deliver data and reports in near real time because of several factors, including failures of our network or software. If we supply inaccurate information or experience interruptions in our ability to capture, store and supply information in near real time or at all, our reputation could be harmed, we could lose customers, or we could be found liable for damages or incur other losses. All our data is stored on the cloud on multiple servers **,** which helps us mitigate the overall risk of losing data. We are in the process of implementing tighter cybersecurity measures to safeguard against hackers. Complying with these security measures and compliances would incur further costs. The states in which we and our distributors and suppliers and their service providers operate require that we maintain certain information about our customers and transactions. If we fail to maintain such information, we could be in violation of state laws. Laws and regulations relating to the handling of personal data may impede the adoption of our services or result in increased costs, legal claims, fines against us, or reputational damage. We face risks associated with the manufacture of our products **,** which could adversely affect our business and financial results. We are subject to the risks inherent in manufacturing our products, including industrial accidents, environmental events, strikes and other labor disputes, disruptions in supply chain or information systems, loss or impairment of key manufacturing sites or suppliers, product quality control, safety, increase in commodity prices and energy costs, licensing requirements and other regulatory issues, as well as natural disasters and other external factors over which we have no control. If such an event were to occur, it could have an adverse effect on our business and financial results. **Potential Risks Associated with the Disposal of Non- Core Assets Investing in our company may be subject to risks related to the disposal of our non- core assets. The Company owns land in Nagpur with a book value of approximately $ 720 thousand and other assets in Cochin, India, and Vancouver, Washington totaling about $ 500 thousand that are not core to our pharmaceutical business focus. While our decision to dispose of these non- core assets is aimed at monetizing non- core assets, streamlining operations, and optimizing resource allocation, the process carries certain risks that may negatively impact our financial performance. The sale of these assets could result in a potential financial loss, that is approximately the difference between the book value reflected on the balance sheet and the sale price. Market conditions, negotiation challenges, and external factors beyond our control could result in realizing a sale price significantly lower than the book value reflected on the balance sheet. The carrying costs of maintaining these non- core assets until their sale incur holding costs, including property taxes and maintenance expenses, and these costs could also negatively impact our financial performance. Additionally, the disposal process may involve temporary disruptions to certain infrastructure operations. However, we are actively managing the disposal process to mitigate these risks and maximize shareholder value. Investors should be aware of the potential risks associated with this process and its potential impact on our financial performance before investing in our company.** The Company is exposed to the risk of write- downs on the value of its inventory and other assets, in addition to purchase commitment cancellation risk. The Company records a write- down for product and component inventories that become obsolete or exceed anticipated demand ~~,~~or for which cost exceeds net realizable value. The Company may also accrue necessary cancellation fee reserves for orders of excess products and components. The Company reviews long- lived assets, including capital assets held at its suppliers' facilities and inventory prepayments, for impairment whenever events or circumstances indicate the assets may not be recoverable. If the Company determines that an impairment has occurred, it records a write- down equal to the amount by which the carrying value of the asset exceeds its fair value. Although the Company believes its inventory, capital assets, inventory prepayments, and other assets and purchase commitments are currently recoverable, no assurance can be given that the Company will not incur write- downs, fees, impairments, and other charges given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes. The Company orders components for its products and builds inventory in advance of product announcements and shipments. Manufacturing purchase obligations cover the Company' s forecasted component and manufacturing requirements, typically for periods **of** up to 150 days. Because the Company' s markets are volatile, competitive, and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of components or products ~~,~~or not fully utilize firm purchase commitments. Our accounting personnel may make unintentional errors. Given our small size and foreign operations, a small unrectified mistake in the preparation of financial statements and the maintenance of our books and records in accordance with U. S. GAAP and SEC rules and regulations may constitute a material weakness in our internal controls over financial reporting. For more information,

please see Item 9A, " Controls and Procedures. " The Company is subject to complex and changing laws and regulations worldwide related to climate change and ESG initiatives, which expose the Company to potential liabilities, increased costs, and other adverse effects on the Company' s business. We are subject to transitional and physical risks related to climate change. Transitional risks include, for example, a disorderly global transition away from fossil fuels that may result in increased energy prices; customer preference for low or no- carbon products; stakeholder pressure to decarbonize assets; or new legal or regulatory requirements that result in new or expanded carbon pricing, taxes, restrictions on greenhouse gas emissions, and increased greenhouse gas disclosure and transparency. These risks could increase operating costs, including the cost of our electricity and energy use ~~,~~ or other compliance costs. Physical risks to our operations include water stress and drought ~~;~~ **,** flooding and storm surge ~~;~~ **,** wildfires ~~;~~ **,** extreme temperatures **,** and storms, which could impact pharmaceutical production, increase costs, or disrupt **the** supply chains of medicines for patients. Our supply chain is likely subject to these same transitional and physical risks and would likely pass along any increased costs to us. We do not anticipate that these risks will have a material financial impact on the Company in the near term **, although there can be no assurance** . Governmental authorities, non- governmental organizations, customers, investors, employees, and other stakeholders are increasingly sensitive to ESG matters, such as equitable access to medicines and vaccines, product quality and safety, diversity, equity and inclusion, environmental stewardship, support for local communities, value chain environmental and social due diligence, corporate governance, and transparency, and addressing human capital factors in our operations. This focus on ESG matters may lead to new expectations or requirements that could result in increased costs associated with **the** research, development, manufacture, or distribution of our products. Our ability to compete could also be affected by changing customer preferences and requirements, such as growing demand for companies to establish validated Net Zero targets or offer more sustainable products. While we strive to improve our ESG performance and meet our voluntary goals, if we do not meet, or are perceived not to meet, our goals or other stakeholder expectations in key ESG areas, we risk negative stakeholder reaction, including from proxy advisory services, as well as damage to our brand and reputation, reduced demand for our products or other negative impacts on our business and operations. While we monitor a broad range of ESG matters, we cannot be certain that we will manage such matters successfully ~~,~~ or that we will successfully meet the expectations of investors, employees, consumers, governments, and other stakeholders ~~. A pandemic, epidemic, or outbreak of infectious disease, such as COVID- 19, may materially and adversely affect our business and operations. The COVID- 19 pandemic is affecting the United States and global economies and has and may continue to affect our operations and those of third parties on which we rely, including by causing disruptions in the supply of our products candidates and the conduct of current and future clinical trials. As the end of the COVID- 19 pandemic remains unknown, the full extent of the impact of COVID- 19 on the Company remains unknown as well. The impact of COVID- 19 on our operations is reflected in reduced revenue and increased expenses in both our Infrastructure and the Life Sciences segments. In addition, the COVID- 19 pandemic may affect the operations of the FDA and other health authorities, which could result in delays of reviews and approvals, including with respect to our product candidates. The evolving COVID- 19 pandemic is also likely to directly or indirectly impact the pace of enrollment in our clinical trial for IGC- AD1 for at least the next several months and possibly longer as patients may avoid or may not be able to travel to healthcare facilities and physicians' offices unless due to a health emergency. Such facilities and offices may also be required to focus limited resources on non- clinical trial matters, including treatment of COVID- 19 patients, and may not be available, in whole or in part, for clinical trial services or our other product candidates. Additionally, while the potential economic impact brought by, and the duration of the COVID- 19 pandemic is difficult to assess or predict, the impact of the COVID- 19 pandemic on the global financial markets may reduce our ability to access capital, which could negatively impact our short- term and long- term liquidity. The ultimate impact of the COVID- 19 pandemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, financing, clinical trial activities or on healthcare systems, or the global economy as a whole. However, these effects could have a material impact on our liquidity, capital resources, operations, and business and those of the third parties on which we rely. The continued impact of the ongoing COVID- 19 pandemic on the Company as well as on the regions in which we do business cannot be predicted~~ . Risks Related to ownership of our common stock: Future sales of common stock by us could cause our stock price to decline and dilute your ownership in our Company. Our certificate of incorporation authorizes the issuance of up to 150, 000, 000 shares of common stock, par value of $ 0. 0001 per share, and 1, 000, 000 shares of preferred stock, par value of $ 0. 0001 per share. We are not restricted from issuing additional shares of our common stock or preferred stock, including any securities that are convertible into or exchangeable for ~~,~~ or that represent the right to receive ~~,~~ common stock or preferred stock or any substantially similar securities. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock by us in the market or the perception that such sales could occur. If we raise funds by issuing additional securities in the future or stock options to purchase our common stock are exercised, the newly issued shares will also dilute your percentage ownership in our Company. Our common stock price has fluctuated considerably and has recently reached our highest price levels, which may not be sustained. The market price of shares of our common stock has fluctuated substantially in recent years and is likely to fluctuate significantly from its current level. Our common stock has also been volatile, with our 52- week closing price range being at a low of $ 0. ~~31~~ **27** and a high of $ 0. ~~94~~ **46** per share. Future announcements concerning the introduction of new products, services, or technologies or changes in product pricing policies by us or our competitors, or changes in earnings estimates by analysts, among other factors, could cause the market price of our common stock to fluctuate substantially. Also, stock markets have experienced extreme price and volume volatility in the last year. This volatility has had a substantial effect on the market prices of securities of many public companies for reasons frequently unrelated to the operating performance of the specific companies. These broad market fluctuations may also cause declines in the market price of our common stock. Investors seeking short- term liquidity should be aware that we cannot assure **you** that the stock price will continue at these or any higher levels. A possible " short squeeze " due to a sudden increase in demand of our common stock that largely exceeds supply may lead to further price volatility in our

common stock. Investors may purchase shares of our common stock to hedge existing exposure in our common stock or to speculate on the price of our common stock. Speculation on the price of our common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our common stock available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our common stock for delivery to lenders of our common stock. Those repurchases may , in turn , dramatically increase the price of our common stock until investors with short exposure are able to purchase additional shares of common stock to cover their short position. This is often referred to as a " short squeeze. " A short squeeze could lead to volatile price movements in shares of our common stock that are not directly correlated to the performance or prospects of our Company , and once investors purchase the shares necessary to cover their short position , the price of our common stock may decline. We believe that the recent volatility in our common stock may be due, in part, to short squeezes that may be temporarily increasing the price of our common stock, which could result in a loss of some or all of your investment in our common stock. Our management team will have broad discretion over the use of Company funds. Our management will use their discretion to direct the use of Company funds. We intend to use the net proceeds from the sale of IGC shares in ATM offerings, sales proceeds, sale of capital assets, and other funds to fund working capital and capital expenditure requirements. It may also be used for clinical trials, share repurchases, debt repayments, and investments, including but not limited to ~~,~~ mutual funds, treasury bonds, cryptocurrencies, and other asset classes. Management' s judgments may not result in positive returns on investor investment, and the investor will not have an opportunity to evaluate the economic, financial, or other information upon which the Management bases its decisions. The Company may invest the funds, pending their use, in a manner that does not produce income or that loses value. The failure ~~by~~ **of** management to apply these funds effectively could result in financial losses, and these financial losses could have a material adverse effect on our business and cause the price of our common stock to decline. Our publicly filed reports are subject to review by the SEC, and any significant changes or amendments required as a result of any such review may result in material liability to us and may have a material adverse impact on the trading price of our common stock. The reports of publicly traded companies are subject to review by the SEC from time to time for the purpose of assisting companies in complying with applicable disclosure requirements, and the SEC is required to undertake a comprehensive review of a company' s reports at least once every three years under the Sarbanes- Oxley Act of 2002. SEC reviews may be initiated at any time. We could be required to modify, amend, or reformulate information contained in prior filings as a result of an SEC review, as well as the state in filings that we have inadequate control or expertise over financial reporting. Any modification, amendment, or reformulation of information contained in such reports could be significant and result in material liability to us and have a material and adverse impact on the trading price of our common stock. We do not anticipate declaring any cash dividends on our common stock. We have never declared or paid cash dividends on our common stock and do not plan to pay any cash dividends in the near future. Our current policy is to retain all funds and earnings for use in the operation and expansion of our business. Maryland anti- takeover provisions and certain anti- takeover effects of our Charter and Bylaws may inhibit a takeover at a premium price that may be beneficial to our stockholders. Maryland anti- takeover provisions and certain anti- takeover effects of our charter and bylaws may be utilized, under some circumstances, as a method of discouraging, delaying, or preventing a change of control of our Company at a premium price that would be beneficial to our stockholders. For more detailed information about these provisions, please see " Anti- takeover Law, Limitations of Liability and Indemnification " as follows: Business Combinations Under the Maryland General Corporation Law, some business combinations, including a merger, consolidation, share exchange , or, in some circumstances, an asset transfer or issuance or reclassification of equity securities, are prohibited for a period of time and require an extraordinary vote. These transactions include those between a Maryland corporation and the following persons (a Specified Person): An interested stockholder ~~,~~ who is defined as any person (other than a subsidiary) who beneficially owns 10 % or more of the corporation' s voting stock ~~,~~ or who is an affiliate or an associate of the corporation who, at any time within a two- year period prior to the transaction, was the beneficial owner of 10 % or more of the voting power of the corporation' s voting stock; or an affiliate of an interested stockholder. A person is not an interested stockholder if the board of directors ~~approved~~ **approves** in advance the transaction by which the person otherwise would have become an interested stockholder. The board of directors of a Maryland corporation also may exempt a person from these business combination restrictions prior to the time the person becomes a Specified Person and may provide that its exemption be subject to compliance with any terms and conditions determined by the board of directors. Transactions between a corporation and a Specified Person are prohibited for five years after the most recent date on which such stockholder becomes a Specified Person. After five years, any business combination must be recommended by the board of directors of the corporation and approved by at least 80 % of the votes entitled to be cast by holders of voting stock of the corporation and two- thirds of the votes entitled to be cast by holders of shares other than voting stock held by the Specified Person with whom the business combination is to be effected, unless the corporation' s stockholders receive a minimum price as defined by Maryland law and other conditions under Maryland law are satisfied. A Maryland corporation may elect not to be governed by these provisions by having its board of directors exempt various Specified Persons, by including a provision in its charter expressly electing not to be governed by the applicable provision of Maryland law , or by amending its existing charter with the approval of at least 80 % of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and two- thirds of the votes entitled to be cast by holders of shares other than those held by any Specified Person. Our Charter does not include any provision opting out of these business combination provisions. Control Share Acquisitions The Maryland General Corporation Law also prevents, subject to exceptions, an acquirer who acquires sufficient shares to exercise specified percentages of **the** voting power of a corporation from having any voting rights except to the extent approved by two- thirds of the votes entitled to be cast on the matter not including shares of stock owned by the acquiring person, any directors who are employees of the corporation and any officers of the corporation. These provisions are referred to as the control share acquisition statute. The control share acquisition statute does not apply to shares acquired in a merger, consolidation , or share exchange if the corporation is a party to the transaction, or

to acquisitions approved or exempted prior to the acquisition by a provision contained in the corporation' s charter or bylaws. Our Bylaws include a provision exempting us from the restrictions of the control share acquisition statute, but this provision could be amended or rescinded either before or after a person acquired control shares. As a result, the control share acquisition statute could discourage offers to acquire our common stock and could increase the difficulty of completing an offer. Board of Directors The Maryland General Corporation Law provides that a Maryland corporation which is subject to the Exchange Act and has at least three outside directors (who are not affiliated with an acquirer of the company) under certain circumstances may elect by resolution of the board of directors or by amendment of its charter or bylaws to be subject to statutory corporate governance provisions that may be inconsistent with the corporation' s charter and bylaws. Under these provisions, a board of directors may divide itself into three separate classes without the vote of stockholders such that only one- third of the directors are elected each year. A board of directors classified in this manner cannot be altered by amendment to the charter of the corporation. Further, the board of directors may, by electing to be covered by the applicable statutory provisions and notwithstanding the corporation' s charter or bylaws: ● provide that a special meeting of stockholders will be called only at the request of stockholders entitled to cast at least a majority of the votes entitled to be cast at the meeting ~~,~~**;** ● reserve for itself the right to fix the number of directors ~~,~~**;** ● provide that a director may be removed only by the vote of at least two- thirds of the votes entitled to be cast generally in the election of directors ~~,~~**;** and ● retain for itself **the** sole authority to fill vacancies created by an increase in the size of the board or the death, removal, or resignation of a director. In addition, a director elected to fill a vacancy under these provisions serves for the balance of the unexpired term instead of until the next annual meeting of stockholders. A board of directors may implement all or any of these provisions without amending the charter or bylaws and without stockholder approval. Although a corporation may be prohibited by its charter or by resolution of its board of directors from electing any of the provisions of the statute, we have not adopted such a prohibition. We have adopted a staggered board of directors with three separate classes in our charter and given the board the right to fix the number of directors, but we have not prohibited the amendment of these provisions. The adoption of the staggered board may discourage offers to acquire our common stock and may increase the difficulty of completing an offer to acquire our stock. If our Board ~~chose~~ **chooses** to implement the statutory provisions, it could further discourage offers to acquire our common stock and could further increase the difficulty of completing an offer to acquire our common stock. Effect of Certain Provisions of our Charter and Bylaws In addition to the Charter and Bylaws provisions discussed above, certain other provisions of our Bylaws may have the effect of impeding the acquisition of control of our Company by means of a tender offer, proxy fight, open market purchases **,** or otherwise in a transaction not approved by our Board of Directors. These provisions of **the** Bylaws are intended to reduce our vulnerability to an unsolicited proposal for the restructuring or sale of all or substantially all of our assets or an unsolicited takeover attempt, which our Board believes is otherwise unfair to our stockholders. These provisions, however, also could have the effect of delaying, deterring, or preventing a change in control of our Company. Our Bylaws provide that with respect to annual meetings of stockholders, (i) nominations of individuals for election to our Board of Directors and (ii) the proposal of business to be considered by stockholders may be made only pursuant to our notice of the meeting, by or at the direction of our Board of Directors, or by a stockholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our Bylaws. Special meetings of stockholders may be called only by the chief executive officer, the board of directors or the secretary of our Company (upon the written request of the holders of a majority of the shares entitled to vote). At a special meeting of stockholders, the only business that may be conducted is the business specified in our notice of meeting. With respect to nominations of persons for election to our Board of Directors, nominations may be made at a special meeting of stockholders only pursuant to our notice of meeting, by or at the direction of our Board of Directors, or if our Board of Directors has determined that directors will be elected at the special meeting, by a stockholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our Bylaws. These procedures may limit the ability of stockholders to bring business before a stockholders meeting, including the nomination of directors and the consideration of any transaction that could result in a change in control and that may result in a premium to our stockholders. **Our executive officers and large shareholders concentrated insider ownership of our common stock, which will limit your influence on corporate matters. As of June 18, 2024, our executive officers and largest shareholders beneficially owned 31. 48 % based on 75, 636, 419 outstanding shares of common stock. As a result, our insiders have the ability to influence our management and affairs through the election and removal of our Board and all other matters requiring stockholder approval, including any future merger, consolidation, or sale of all or substantially all of our assets. This concentrated voting power could discourage others from initiating any potential merger, takeover or other change- of- control transaction that may otherwise be beneficial to our stockholders. Further, this concentrated insider ownership will limit the practical effect of your influence over our business and affairs, through any stockholder vote or otherwise. Any of these effects could depress the price of our common stock.**