

Risk Factors Comparison 2024-11-26 to 2023-11-20 Form: 10-K

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Lexaria operates in the intensely competitive biotechnology industry and is subject to numerous risks. Investment in this sector involves a high degree of risk. You should carefully consider the risks described below as well as other information in this report. The occurrence of any of the events, circumstances or developments described below could materially and adversely affect our business, financial conditions, results of operations and our future prospects. Our actual results could differ from those in forward looking statements as a result of numerous factors including the risks described below.

A. Risks Associated with our Business and Industry

DehydraTECH- enabled pharmaceutical products may not successfully proceed to commercialization. The advancement of DehydraTECH- enabled pharmaceutical products will be subject to successful completion of multi- phase testing under significant regulatory requirements and testing protocols, such as those required by the US Food and Drug Administration (FDA) and comparable foreign regulators. ~~While we A number of companies in the biopharmaceutical industry have suffered significant setbacks~~ **seen success in our animal studies and in many of our human pilot studies and exploratory human studies, it is possible that setbacks may occur** in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in **such** earlier studies. ~~It is possible we could face similar setbacks.~~ The effects of such reversions could cause significant delays or abandonment of testing with negative effect to our business through financial loss, industry credibility and / or a temporary or permanent decline in valuation of our Company. ~~13~~ **If** we are unable to retain and hire qualified personnel, we may not be able to implement our business plan successfully. In developing DehydraTECH, we rely upon our employees, consultants, contractors, and collaborators. Our current business prospects are dependent on the principal members of our executive team, the loss of whose services could make it difficult for us to manage our business successfully and to achieve our business objectives. The loss of the services of any key research, product development, regulatory and technical personnel, or our inability to hire new personnel with the requisite skills, could restrict our ability to carry out our R & D programs and / or develop our product candidates. Each position in a small company carries relatively greater duties and responsibilities than that position would in a larger organization. The loss of any of our key personnel could result in severe disruptions to our operations and business plans. Our ability to identify, attract, integrate, and retain additional qualified key personnel is critical to our success. Competition for skilled research, product development, regulatory and technical personnel is intense, and we may not be able to recruit and retain the personnel we need. We face substantial competition, which may result in others discovering, developing and / or commercializing technology or products similar to ours before or more successfully than us. Our commercial and / or licensing opportunities may be reduced or potentially eliminated if our competitors develop and commercialize products utilizing a similar technology that compete directly with those incorporating DehydraTECH. Significant delays in the development of our product candidates could allow competitors to bring products to market before us, which may impair the ability to commercialize our product candidates. This could result in reduced sales and negative pricing pressure on our technology, lessening our ability to increase or even sustain revenues and causing deterioration of market prospects. Our competitors could also develop drugs that are more effective, more widely used and less expensive than our technology supports. They may also be more successful in manufacturing and marketing their products. Competitors could acquire regulatory approval of their products before we are able to obtain patent protection or other intellectual property rights, limiting our ability to license our respective patents and / or develop or commercialize a product candidate. These appreciable advantages could render our product candidates non- competitive or obsolete before we can recover the expenses of research, development, and commercialization. Our competition includes pharmaceutical and biotechnology companies, educational institutions, and research foundations. They may have substantially greater capital resources, research and development workforce and facilities and superior marketing experience than Lexaria. They may be able to respond more rapidly to new regulations and / or devote greater resources to the development and promotion of their business model. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, and in acquiring technologies and technology licenses competitive to our programs or of potential use to our business. Early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors and could increase their ability to rapidly gain market share. As a result of these factors, management cannot be certain that the Company will be able to compete against current or future competitors or that competitive pressure will not seriously harm our business. ~~Any~~ **16** ~~Any~~ failure in protecting our intellectual property may have a negative impact adverse effect on our ability to develop and ~~license~~ **license** DehydraTECH. Because patents involve complex legal and factual questions, the issuance, scope, validity, and enforceability of patents cannot be predicted with certainty. Some of our patent pending applications ~~will may~~ not be granted as patents. Even if patents are issued, they may not be granted with claims of sufficient breadth to protect DehydraTECH technology or may not provide us with a competitive advantage over other products or technologies. Issued patents may be challenged, invalidated, or circumvented. If they are invalidated or found to be unenforceable, we could lose the ability to exclude others from making, using, or selling the inventions claimed. An issued patent does not give us the automatic right to use the patented technology or commercialize a product using the technology. Third parties may have blocking patents that could be used to prevent us from developing our products, selling our products, or commercializing our DehydraTECH technology. Others may also independently develop products or technologies similar to those that we have developed or may reverse engineer or discover our trade secrets through proper means. Technological R & D

in the bioscience industry involves a lengthy, expensive process with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete our studies or trials. We could encounter numerous unintended and unforeseen events including but not limited to the following: · regulators or institutional review boards (“ IRBs ”), or ethics committees may not authorize us or our investigators to commence a study or trial at a prospective trial site. There is no assurance that we will be able to satisfy their approval conditions in a timely fashion if at all, whether due to financial or other unforeseen constraints; · the ability or failure to reach acceptable terms with prospective trial sites and contract research organizations (“ CROs ”). These terms can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; · the IRB may disagree with our design or change the requirements for approval even after it has incorporated their review and comments; · authorities may impose a hold on or suspend a program due to any number of factors, including a request for further information or other administrative actions, results of competitors programs, noncompliance with changing regulatory requirements or a finding that the participants are being exposed to unacceptable health risk or changes in governmental regulations; ~~14~~ · studies or trials of various APIs may produce negative or inconclusive results. We may decide or regulators may require us to conduct additional studies or trials. We may decide to abandon development programs related to those APIs; · the number of participants required may be larger than anticipated. Participants may drop out or fail to return for follow- up at a higher rate than we anticipate. Initial enrolment may take longer than scheduled. We may be unable to recruit a sufficient number of suitable participants; · the participants and sites in our studies or trials may not comply with required protocols rendering the results insufficient or uninterpretable; · the cost of studies or trials of an API may be greater than anticipated and we may lack adequate funding to continue; · any changes in regulatory requirements and guidance that require amending or submitting new protocols; · regulators may require the submission of additional data or impose other requirements before granting permission to proceed. Our R & D costs will increase with delays in testing and / or regulatory approvals. We do not know whether any of our projected studies or trials will begin as planned, will need to be restructured once commenced, or will be completed on schedule, or at all. Any delays in our development programs could significantly impact our share value, business prospects, financial condition, and results of operations. If we are unable to obtain and maintain sufficient patent protection, or if the scope of the patent protection is not sufficiently broad, our competitors could develop technology similar to ours. We may not be able to effectively enforce our intellectual property rights throughout the world. Our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Patent laws of some foreign countries do not provide protection to the same extent as the laws of the United States. These factors could make it difficult for us to stop the infringement of our patents or the misappropriation of our intellectual property rights. Legal actions to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and resources from other aspects of our business. We cannot ensure that we will be able to initiate or maintain legal efforts in all jurisdictions which could limit the markets for our technology and reduce possible future revenues. ~~We~~**17**~~We~~ are dependent on the services of third parties and unsatisfactory performance will negatively affect our Company. We rely on third parties to conduct, supervise, and monitor our R & D programs. Third- party service providers are not our employees, and except for remedies available to us under contract, we cannot control whether or not they devote sufficient time, skill, and resources to our programs. We remain responsible for ensuring that each of our programs are conducted in accordance with the applicable protocol, legal, regulatory and scientific standards. If third parties do not successfully carry out their contractual duties in meeting expected deadlines or not conducting our R & D programs or preclinical studies as prescribed, if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, we or our collaborators may be subject to regulatory enforcement or other legal actions. Resultant data generated in our preclinical programs may be deemed unreliable and our studies and trials may need to be repeated, extended, delayed, or terminated. We may be delayed in or unable to obtain marketing approvals for our product candidates or to successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed. We also rely on third party suppliers and manufacturers to provide us with the facilities, materials, and services to manufacture our DehydraTECH compounds for our research programs and our B2B customers. It is possible that such third parties may not successfully carry out their contractual obligations, meet expected deadlines, adhere to our protocols, or comply with regulatory requirements. This could result in ~~the~~ lost revenue or program delays. Demand for our services may be adversely affected if customers lose confidence in the quality of our services or the industry’ s practices. Adverse publicity may discourage businesses from contracting our services and could have a material adverse effect on future revenue generation. Agreements with third parties conducting services on our behalf might terminate for a variety of reasons, including a failure to perform by the third parties. If any of these terminate, we may be unable to enter into arrangements with alternative providers or to do so on commercially reasonable terms. Switching or adding additional third parties involve increased management time, focus, regulatory approvals and / or additional cost. Any delays in our manufacturing capabilities or research studies may have a material adverse impact on our business, financial condition and prospects. ~~15~~~~Any~~ **Any** failure to prevent or mitigate security breaches and improper access to or disclosure of our data or our user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position **.** Awareness and sensitivity to personal data breaches and cyber **.** security threats is at an all- time high. Our computer systems and those of our contractors and consultants are vulnerable to damage from unauthorized access, computer viruses, telecommunications and electrical failures, and natural disasters. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our R & D programs. We depend on digital technologies for the successful operation of our business, including corporate email communications to and from employees, licensees, consultants and third- party providers, collection, use and retention of investor data, security systems with respect to our Health Canada licensed laboratory and maintenance of confidential information. As part of our business model, we collect, retain, and transmit confidential information over public networks. We

may be vulnerable to targeted or random personal data or security breaches, acts of vandalism, computer malware, misplaced or lost data, programming and / or human errors, or other similar events. Any misappropriation of our internal confidential or personal information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with licensees, employees and investors. We may incur further significant costs implementing additional security measures to protect against new or enhanced data security or privacy threats, or to comply with current and new international, federal, and state laws governing the unauthorized disclosure of confidential and personal information which are continuously being enacted. We could also experience loss of revenues resulting from unauthorized use of proprietary information including our intellectual property. We could also face sizable fines, significant breach containment and notification costs to supervisory authorities and the affected data subjects, and increased litigation as a result of cyber security or personal data breaches. We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed alleged trade secrets. We employ, and may employ in the future, individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We could be subject to claims that the Company or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Successful claims could result in our loss of valuable intellectual property rights or personnel in addition to suffering monetary damages. Even if we are successful in any litigation, it could result in substantial costs and be a distraction to management with an adverse impact on our business.

18B ~~Risks related to the effects of COVID-19~~ **The outbreak of the coronavirus (COVID-19) has evolved into a global pandemic. The extent to which the virus impacts our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning the virus, its variants, and the actions to contain the coronavirus or treat its impact, among others. With the continued spread of the virus, our business operations could be interrupted or delayed. It is possible that our R & D programs could be adversely affected by the restrictions imposed during the pandemic. Travel restrictions, lock-down quarantines or other such limitations may hamper our ability to conduct our R & D programs. In some of our programs, particularly our human studies, participant recruitment and enrolment, participant dosing, distribution of results, study monitoring and data analysis may be paused or delayed due to the effects that the pandemic has in different localities. If the virus continues to spread, some participants and clinical investigators may not be able to comply with clinical trial protocols. We currently utilize third parties to conduct our R & D programs and in the production of our B2B customers' products. These relationships could be adversely impacted by any future covid-related restrictions. It is possible that our supply chain may be disrupted, limiting our ability to manufacture products for our R & D operations or for our B2B customers. The spread of COVID-19 and its variants has caused a broad global impact which could have a material economic effect on our business. While the potential economic impact brought by and the duration of the pandemic may be difficult to assess or predict, it has already caused, and is likely to result in further significant disruption of global financial markets, which may reduce our ability to access capital either on favorable terms or at all. Inflation and recession or other sustained adverse economic events resulting from the pandemic could materially and adversely affect our business and the market for or value of our common stock.**

B ~~Risks Associated with our Financial Condition~~ Without additional financing to develop our business plan, our business may fail. We have generated only minimal revenue from our business and anticipate that we will need to raise further financing to conduct and grow our business. We can provide no assurance that we will be able to secure such financing. The most likely source of future funds presently available to us is through the sale of equity capital. Any sale of share capital will result in dilution to existing security- holders. The longer-term growth of our business depends on our ability to expand our portfolio of patents and industry segments where DehydraTECH is demonstrably applicable, which may require substantial financial resources and may ultimately be unsuccessful. There can be no assurance that we will achieve significant revenues or profitable operations or will generate adequate funds to continue our intellectual property development. Many factors, such as competition, patent protection, appropriate regulatory approvals, availability of personnel, and market acceptance of our services can influence the revenue and profitability potential. As a result, we may experience material fluctuations in future operating results on a quarterly and annual basis which could materially affect our business, financial condition, and operating results.

~~16~~ **The** ~~The~~ R & D programs required to evidence that DehydraTECH' s demonstrated efficacy also works with other APIs and molecules to develop the evidence may ultimately be unsuccessful. We cannot be certain that our overall business model within any particular sector will ever come to fruition, and if they do, may not generate meaningful profits. We may not recover all or any portion of our capital investment in our research and technology development, marketing, or other aspects of the business. We may enter into collaborations with third parties for the development and commercialization of our product candidates. If we fail to enter into such collaborations, or such collaborations are not successful, we may not be able to capitalize on the market potential of our product candidates. We face significant competition in seeking appropriate partners. Our ability to reach a definitive agreement in any collaboration depends in part on our assessment of their resources, expertise and intent, the terms and conditions of the proposed agreement and the evaluation of numerous factors by the proposed collaborator. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. 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 product candidate, reduce or delay our development programs. This might delay our potential development schedule or reduce the scope of research activities or increase our expenditures. We may have to undertake further discovery or preclinical development activities at our own expense. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development activities, we may not be able to further develop our product candidates or continue to develop our product candidates and our business may be materially and adversely affected. Future collaborations may involve the following risks whereby collaborators may: · not perform their obligations as expected or ~~terminated~~ **terminate** an agreement for their convenience. If terminated, we could be required to raise additional

capital to pursue further development or commercialization of the applicable product candidates. We could face difficulty in attracting new collaborators. The markets' perception of our business could be adversely affected. · have significant discretion in determining the efforts and resources that they will apply. We would have limited control over the amount and timing of resources. They may provide insufficient funding for product development of our selected targets. · have us repeat or conduct new discovery and preclinical development or delay, stop or abandon discovery and preclinical development of a product candidate. · view product candidates discovered in collaboration as competitive with their existing product candidates or products. They may cease to devote resources to the development of collaborative product candidates. · independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if they conclude that competitive products are more likely to be successfully developed than our products. · use their proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property. · become involved in a business combination which, subject to its contractual obligations, might detract from or terminate the development of any of our product candidates. **€19C**. Risk Associated with Current Regulatory Environments Our product candidates are in an early stage of development and may fail or experience significant delays or may never advance to the clinical stage, which may materially and adversely impact our business. All of our R & D programs are in the preclinical development stage and our future success heavily depends on the successful development of our DehydraTECH product candidates which may never occur. These product candidates could be delayed, not advance into the clinic, or unexpectedly fail at any stage of development. Before we can commence clinical trials for a product candidate, we must conduct extensive preclinical and other non-clinical tests in order to support an investigational new drug ("IND") application, including IND-enabling good laboratory practice toxicology studies. Preclinical studies and clinical trials are expensive, difficult to design and can take many years. There is no assurance that we will be able to successfully develop our product candidates, and we may focus our efforts and resources on product candidates that may prove to be unsuccessful. We cannot be certain of the outcome of preclinical testing and clinical studies and results from these studies may not predict the results that will be obtained in later phase trials of our product candidates. Even if we are able to complete our preclinical studies and planned clinical trials in line with our projected timelines, results from such studies and trials may be not replicated in subsequent preclinical studies or clinical trial results. Additionally, such studies may be delayed due to events beyond our control. As a result, we cannot guarantee that we will be able to submit INDs, or similar applications, within our projected timelines, if at all, or that the FDA, or similar regulatory authorities, will allow us to commence clinical trials. ~~17Pharmaceutical~~ **Pharmaceutical** products incorporating DehydraTECH ~~has~~ **have** never been approved for the treatment of disease. In order to commercialize a product that utilizes DehydraTECH for the treatment of any disease, we and / or our commercial partner must obtain regulatory product approvals for treatment of a particular indication. Satisfying regulatory requirements is an expensive process that typically takes many years. There are compliance requirements covering R & D, testing, manufacturing, quality control, labelling, and promotion of drugs for human use. To obtain necessary regulatory approvals we must complete clinical trials demonstrating that our product is safe and effective for a particular indication. There can be no assurance that any product enhanced by DehydraTECH will be proven to be safe and effective, that clinical trials will demonstrate the necessary safety and effectiveness of the product candidates, or that we will be successful in obtaining regulatory approval for any treatment developed, even if such safety and effectiveness are demonstrated. We may encounter obstacles in obtaining regulatory approval from the FDA or other international regulatory organizations during clinical trials including: · clinical trials may not yield sufficiently conclusive results for regulatory agencies to approve the use of DehydraTECH; · DehydraTECH enhanced formulations may fail to be more effective than current therapies, or to be effective at all; · DehydraTECH enhanced formulations may have adverse side effects, which could cause them to be delayed or precluded from receiving regulatory approval or otherwise expose us to significant commercial and legal risks; · it may take longer than expected to determine whether or not a treatment is effective; · patients involved in the clinical trials may suffer severe adverse side effects even up to death, whether as a result of treatment with DehydraTECH enhanced formulations, the withholding of such treatment, or other reasons whether within or outside of our control; · patients enrolled in the clinical trials may not have the characteristics necessary to obtain regulatory approval for a particular indication or patient population; · failure to obtain and / or maintain, any required governmental approvals; · if approval for commercialization is granted, it is possible the authorized use will be more limited than is necessary for commercial success, or that approval may be conditioned on completion of further clinical trials or other activities, which will cause a substantial increase in costs; · if granted, approval may be withdrawn or limited if problems with DehydraTECH enhanced formulations emerge or are suggested by the data arising from their use or if there is a change in law or regulation. Any success achieved at a given stage of the clinical trials does not guarantee that the future achievement of success at any subsequent stage, including without limitation, final FDA approval. ~~Delays~~ **20Delays** or rejections in the regulatory approval process because of additional government regulation resulting from future legislation or administrative action, or from changes in the policies of the FDA or other regulatory bodies during the period of product development, clinical trials, or regulatory review may occur. Failure to comply with applicable regulatory requirements may result in criminal prosecution, civil penalties, recall or seizure of products, total or partial suspension of production, or an injunction preventing certain activity, as well as other regulatory action against our product candidates or our Company. We **may choose to conduct one or more of our clinical trials or a portion of our clinical trials for our product candidates outside the U. S. The acceptance of study data from clinical trials conducted outside the U. S. or another jurisdiction by the FDA or comparable regulatory authority may be subject to certain conditions or may not be accepted at all.** We currently have no commercial pharmaceutical products and therefore generate no revenue from pharmaceutical products and may never be able to develop marketable pharmaceutical products. We have ~~no~~ **limited** experience in filing the applications necessary to obtain approval and expect that we will need to rely on CROs and regulatory consultants to assist us with this process. Regulatory approval also requires the submission about the product manufacturing process and the inspection of the manufacturing facilities. Our success is dependent on our or a third parties' ability to successfully navigate the risks and

obstacles associated with obtaining FDA clearance for any DehydraTECH enhanced formulated product. Pharmaceutical products using DehydraTECH with CBD as an API have never been approved for the treatment of any disease. To date the FDA has approved only limited use of cannabinoids for the treatment of any disease or condition. The FDA has approved one cannabinoid- derived drug product for the treatment of seizures associated with Lennox- Gastaut syndrome and Dravet syndrome and three synthetic cannabinoid- related drug products for the treatment of nausea and vomiting caused by cancer chemotherapy. While we expect any product candidates that we develop will be regulated as a new drug under the Federal Food, Drug, and Cosmetic Act, the FDA could decide to regulate them or any other products incorporating DehydraTECH under a different regulatory regime. The lack of policies, practices or guidelines may hinder or slow review by the FDA of any regulatory filings that we may submit. The FDA may respond to these submissions by defining requirements that we may not have anticipated. Regulation of non- pharmaceutical hemp- based CBD products is evolving. We cannot predict the nature of any future laws, regulations, interpretations, or their application to non- pharmaceutical hemp- based CBD. It is probable that regulations may be enacted that will be directly applicable to our business. Violations, alleged or otherwise, could disrupt our business or the business of our licensees. Any compliance deficiencies with future government regulation could increase our operating costs.

18In In the US, interstate shipment of hemp- derived non- pharmaceutical CBD from one state to another is legal only where both states have laws and regulations that allow for the production and sale of such products and that qualify under the Farm Bill. The marketing and sale of DehydraTECH products containing hemp- derived non- pharmaceutical CBD is limited by such factors and is restricted to such states. A repeal or adverse amendment of laws and regulations that are now favorable to the distribution, marketing, and sale of finished products of hemp- derived CBD our licensees intend to sell could significantly limit, restrict, or prevent us from generating revenue related to these DehydraTECH enabled non- pharmaceutical products. Any such repeal or adverse amendment of now favorable laws and regulations could have an adverse impact on our business plan with respect to such revenues. Controlled substance legislation differs between localities. Legislation in certain jurisdictions may restrict or limit our ability to develop and commercialize products using DehydraTECH. We currently have licensees who produce hemp- derived non- pharmaceutical CBD products. The Farm Bill delegates the authority to the states to regulate and limit the production of these products within their territories. Many states now have laws and regulations that allow for the production and sale of hemp- derived CBD products. We can offer no assurance that these state laws will not be repealed or amended which could render these products illegal. Such actions would adversely impact our product revenue and royalties derived from DehydraTECH- enabled CBD products.

D. Risks Associated with Securities Markets and Ownership of our Common Stock

The trading price of the shares of our common stock could be highly volatile and as such investors could incur substantial losses. Prospects for companies in the biotechnology industry may be regarded generally as uncertain given the nature of the industry and, accordingly, investments in biotechnology companies should be regarded as speculative. We have experienced erratic share price and trading volume movement of our common stock which could be influenced by any number of factors including those extraneous to our operating performance and business prospects.

Our 21Our by- laws do not contain anti- takeover provisions, which could result in a change of our executive management and directors if there is a take- over of our Company. We do not currently have a shareholder rights plan or any anti- takeover provisions in our by- laws. Without any anti- takeover provisions, there is no deterrent for an unwanted take- over of our Company. This could result in a change of management, business strategy, a lower enterprise valuation than anticipated and / or dilution of current shareholdings. We do not intend to pay any dividends on our shares. We have not declared or paid any dividends on our shares since inception. We intend to retain any earnings to implement our business plan. Investors seeking dividend income should not invest in our shares. Purchasers of our shares may incur dilution. We are authorized to issue up to 220, 000, 000 shares. Pursuant to Nevada corporate law, our Board has the authority to approve additional share issuances, and to determine the rights, preferences, and privileges of such shares, without consent of any of our stockholders, though pursuant to Nasdaq Rules, stockholder approval may be required for certain of these actions. We may issue shares in the future to raise working capital resulting in shareholders dilution in the ownership of our Company. We are a “ smaller reporting company ” under the SEC’ s disclosure rules and have elected to comply with the reduced disclosure requirements applicable to smaller reporting companies. As a smaller reporting company, we have elected to adopt the accommodations for scaled- back disclosure in our SEC filings, resulting in less information about our Company being available compared to other public companies. We are also a non- accelerated filer and are not required to comply with the auditor attestation requirements of Section 404 (b) of the Sarbanes- Oxley Act of 2002. Our internal controls over financial reporting will not receive the level of review provided by the process relating to the auditor attestation included in annual reports of issuers that are subject to these requirements. We cannot predict if investors will find our common shares less attractive because we are not required to comply with more robust disclosure or the auditor attestation requirements. If investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and trading prices may be negatively affected.